The EU Policy in the Middle East
Problematic Nature and Potential Role

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Abbreviations

CFSP – Common Foreign and Security Policy
COA- Court of Auditors
DCP- Dual containment policy
EC – European Community
ECRO – European Commission Representative Office
EEC- European Economic Community
EMP- Euro-Mediterranean Partnership
EPC- European Political Cooperation
EU- European Union
NGO - Non-Governmental Organisation
IMP – International Monetary Fond
LI – Liberal Intergovernmentalism
MEDA- Mediterranean Partnership
MENA- Middle East and North Africa
MEP- Member of European Parliament
MEPP – Middle East Peace Process
MS – Member State
NIP – National Indicative Programme
PA – Palestinian Authority
PLC – Palestinian Legislative Council
REDWG – Regional Economic and Development Working Group
UN – United Nations
UNSCR – United Nations’ Security Council Resolution
UNRWA – United Nations Relief and Works Agency
UP- University Press
Introduction

“European governments may be aware of the need for political cooperation but also to the impossibility of reaching an EU consensus to enable them to go further.”

Gerald Collins, Former Irish Foreign Minister, 1997.¹

The end of the Cold War was unexpected, unpredictable and bewildering in its lack of direction and consequences, presenting no clear vision as to what was to emerge in its wake. As the ideological basis for the conflict faded into the background with the break-up of the Soviet Union in 1991, the rationale for the existence of the alliance system formed in the era of the two superpowers disappeared.² From the outset, the collapse of the Eastern bloc and the barriers that had divided Europe presented European governments with a completely unexpected situation: Europe’s main concept of security was transformed from one which had been protected by the mutual deterrence of the superpowers into one which did not suggest military power as a primary solution to the problems of the region. Thus, the new world order transformed the European concept of security from military cooperation into a new system of economical cooperation.³ Together with these changes in the military/strategic environment, the end of the Cold War has left an international oligarchy in place with a hierarchy of power in favour of the continued predominance of the United States vis-à-vis Europe, Japan, and the rest of the world. This was also reflected in the Middle East region: since the beginning of the peace process in Madrid 1991, the United States has succeeded in keeping other international actors from actively partaking in the Middle East peace talks.

In response to American hegemony over global decision-making power, European leaders have begun to question their own roles and responsibilities within this

² Nonetheless, the demise of the Soviet Union did not bring an end to military power as a potent force in the international system.
³ This is not to imply that the structures of military force do not continue to provide the basis for the credibility of political and economic influence and, critically, for the defence of a nation. Roberson, B.A 1998a (ed.): 2.
“New Order”. In 1992, the EU Member States incorporated into the Maastricht Treaty the objective of a “Common Foreign and Security Policy” (CFSP). Yet the Treaty, which envisaged the objectives and instruments of the CFSP with great enthusiasm-moving from “cooperation” to “common policy”- left the decision-making mechanisms essentially unchanged. This has created the so-called “expectations-capability gap” in that the definition of objectives has not been adequately matched by the creation of resources appropriate to those objectives. This problem has been most clearly evidenced in the EU foreign policy in the Middle East over the past 10 years.

A strong consensus exists amongst both EU policy makers and Member States diplomats that Europe needs to play a more prominent role in the Middle East region. Statements by European leaders contain many references to Europe’s willingness and desire to work with the region towards stability, to its close political, historical, economic, religious and cultural links with the peoples and countries of the region, and to the fact that peace and stability in the Middle East are of vital strategic interest to Europe. Indeed, European interest in the Middle East is not gratuitous: Europe is a consumer of Middle Eastern petrol and gas and exporter of industrial goods and military technology to the region. Political and social stability in this part of the world is therefore of primary concern for the EU. A further motivation is perhaps the desire of the European Union to play a more prominent role on the international stage, worthy of its new political identity and competences. In this regard, the Israeli-Palestinian conflict, the special relations with Iran as well as the “European-Mediterranean Partnership” (EMP) may provide the platform for the “arrival” of the EU into the international political arena (although such ambitions could amount to “supporting, balancing, or, in some cases, challenging what is often seen as American hegemony in the post-Cold War era”). Yet, despite Europe’s efforts, its role in the Middle East remains to this day largely sidelined and is concentrated mainly in the economical domain, whereas the United States still plays the main political role in the region, particularly in the Middle East peace process. This, in turn, is reflected by a strong European sense of frustration: the dominant feeling on the continent still remains

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4 The Maastricht Treaty (1992), Second Pillar; Title V:(Article J1-J11).
3 Christoph (1993): 305-328.
that the EU has not been given a satisfactory share in the political process—neither in its concept, nor in the bilateral talks; instead it is being asked to sustain a substantial share of any cost needed to back-up the process economically. An opposition to the „leave it to the U.S. “syndrome has been illustrated in some European reactions, with some EU officials clearly indicating their determination to widen the EU’s role in the Middle East and particularly in the MEPP. However, the balance of power between the EU and the U.S. in the Middle East has not been changed over the past years.

The dissertation would argue that the European failure to project a decisive political power in the Middle East (“to be a player, and not only a payer”) is derived first and foremost from internal and external obstacles under which the European foreign policy is bound to operate. The research endeavours to develop some hypotheses regarding these obstacles.

The main research question is thus the following:

**How come the EU has not managed to become a key player in the Middle East Peace Process? How does the Intergovernmental-oriented CFSP determine the EU behaviour in the region?**

The answer to this question will be supported through competing theoretical approaches to the problematic nature of the CFSP mechanism. This will set the theoretical framework of the thesis and will help us to reach an in-depth understanding of the EU’s Middle Eastern policy. It will also enable us to answer relevant questions addressed by this research paper:

§ How should Europe view and respond to the U.S.-dominated position in the Middle East?

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7 Situation in the Middle East, Speech by Chris Patten at the European Parliament-Plenary Session, Strasbourg, 12 Dec.2001. (SPEECH/01/627).
What kind of role should the EU play in the greater Middle East region? Should it become an “autonomous factor” or rather a complementary one alongside the United States?

The research will be limited to a period of 10 years, from 1993 (the launching of CFSP) to 2003. In regard to the Israeli-Palestinian conflict the time period under research will be mostly 2001-2003 - the main years of the Palestinian Intifada. Generally, it can be maintained that the empirical observation of developments and intergovernmental interactions during the research period (2001-2004) have helped the author to strengthen assumptions and arrive at conclusions.

**Methodology:** An important requirement for a research study is that the study must be “focused” and “structured”; focused in the sense of being oriented towards some delimited and specific aspects of the investigated case, and structured in the sense of making use of existing theory and letting the collection of data (such as interviews) be guided by a general set of questions. This study is designed to meet these criteria.

The research addresses both the neo-functionalist and the intergovernmental approaches in order to understand the European foreign common policy. It points out the fact that the intergovernmental system of CFSP sets the guidelines of European behaviour in the Middle East and defines its actions. The result of that process does not necessarily have to correspond with what would be a rational choice to deal with the one or the other problem in the Middle East, but it is the result of an internal process producing a certain outcome, which is generally the “Lowest Common Denominator” (LCD), often reflected through a “paralysed” European policy in the region.

The approach of the paper is multidisciplinary, touching upon the political, economic and diplomatic dimensions of EU intervention in the Middle East. It does not limit the empirical investigation to one specific example. Instead, a

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8 Simai (1996): 17
9 These theoretical approaches based mostly on the writings of Ernst B. Haas (Neo-Functionalism) and Andrew Moravcsik (Liberal-Intergovernmentalism).
wider observation of EU involvement in the region, including the stance of third party actors vis-à-vis European role, allows it to go deeper into the root of the issue, facilitating a more thorough understanding of European behaviour by looking at the wider context in which the phenomenon under study takes place.

The thesis is outlined as follows:

Part One: Theoretical approach.
Part Two: Historical context.
Part Three: Contemporary relations between the EU and the Middle East.
Part Four: The problem of EU Middle East policy
Part Five: The quest for a positive role for the EU in the Middle East
Part Six: Conclusion.

Part One, the theoretical part, sets the framework of the thesis and gives it a road map. It discusses the concepts of neo-functional and intergovernmental foreign policy within the European Union. It aims at analysing both the making and functioning of the CFSP system,\(^\text{11}\) as well as finding out how and under what conditions the system functions.\(^\text{12}\) The conclusion of this part should enable us to understand and define the problems of the EU policy in the Middle Eastern case later on.

Part Two: In order to incorporate a wider perspective and an understanding of the issue at stake, it is also important to approach it in a perspective of evolution over time. Part Two outlines, in short, the relations between Europe and the Middle East in the historical context. The time period of the historical part expands mainly from 1973 (the oil crisis) until 2000 (the “Al-Aqsa Intifada”).

Part Three addresses the EU bilateral relations with the countries in the Middle East which either are or were involved in the Middle East conflict. (Israel, Egypt, Syria, Lebanon, Jordan and the Palestinian Authority). This should give us a

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\(^{11}\) The methodology of the foreign policy analysis will be twofold. Firstly, roles of institutions of the European Union and their competences will be provided. Secondly, instruments and capabilities of the European Union will be addressed.

\(^{12}\) For this reason, the dissertation does not refer to eventual future reforms in the CFSP. Moreover, the reforms are not relevant to the period under investigation.
better perspective on the EU’s political and economical agenda for the states in the region, as well as information about present bilateral trade relations between the parties. It should be noted that relations between the EU and the Middle Eastern states are based primarily on “Association Agreements” concluded within the working frame of the “Euro-Mediterranean Partnership”.

Part Four, the main part of the dissertation, empirically analyses the problematical issue of the EU’s Middle East policy, relying on the hypothesis that the nature of the CFSP is a central element for the understanding of the European foreign policy behaviour in the region. It begins by specifically explaining the obstacles of the CFSP complicated mechanism, pointing out the linkage between its intergovernmental character and the EU’s Middle East policy performance. It continues by referring to the impact of the CFSP system on the negative stance of third party actors towards EU involvement in the Middle East Peace Process (a factor which prevent the EU from playing the role it wishes to play in the political domain of the process). To conclude this part, the issue of European assistance to the Palestinian Authority is addressed; the chapter deals with the cumbersome decision-making process and proceedings of EU funds to the PA. It analyzes the management and organisation failures and refers to allegations that EU funds to the Palestinians may have been misused.

The next chapter within part four deals with the “EU-Mediterranean Partnership” (the Barcelona Process). It analyses the member State negotiations process that led to the launching of the agreement, highlighting the fact that the Barcelona process was regarded in the mid-1990s as belonging to the area of “low politics” anyhow, and therefore less exposed to controversy inside the EU. Yet, the EU paid less attention to the fact that the region’s complicated political premises could not provide it with the functional spill over (from “low politics” into “high politics”) that was hoped for.

To conclude the chapter, the so-called “Critical Dialogue” with Iran is examined, relying on Moravscik’s assumption that “state preferences are driven

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13 The Middle East will be referred to as the “MENA region” on chapter 4.4 (EMP), because the “Euro Mediterranean Partnership” also includes the North-African countries.
by economic interests”.\textsuperscript{14} It should be emphasized that the examples that I have chosen were the areas in which the EU engaged itself specifically within the framework of a common European policy.

**Part Five** of the dissertation draws conclusions from the evidence established in the earlier parts and presents useful and positive measures that the EU can undertake in the Middle East despite the complicated circumstances involved and the role of the United States.

**Earlier research**: The study deals with one particular instance of CFSP: the Middle East policy. This subject has received scarce attention in the scholarly literature thus far. Analysts have been inclined to focus on the CFSP rather than on the outcome of its mechanism in the Middle Eastern context. (The general view on the CFSP is quite negative, both as regards its impact and its functioning).\textsuperscript{15} There is, however, a small but rapidly growing amount of literature that does address this subject, particularly in form of articles which are published in periodicals, edited debate books or on the internet. Some of these articles, however, are not guided by theoretical considerations.

There is no central assumption in much of the academic literature, as there is a great division of opinions about European behaviour, its effectiveness and potential in the region. Although theoretical approaches among those scholars differ, there is a general tendency to link the issue to the mechanism and circumstances under which CFSP is bound to operate. Nonetheless, most analysts maintain that the EU has not yet explored its full potential in the Middle East. Few of them approach the issue with either scepticism or criticism.

Among those who have often dealt with the subject of the EU and its Middle East policy in the last few years, one can particularly mention Prof. Werner Weidenfeld (University of Munich), Prof. Gerald Steinberg (University of Bar-Ilan), Prof. Moshe Zimmerman (University of Jerusalem), Dr. Rosemary Hollis (Royal Institute of International Affairs, London), Sven Behrendt (World

\textsuperscript{14} Moravcsik (1998): 483.
\textsuperscript{15} This conclusion relies on the impression I received during the years of my research. More on that issue on part 2 of the paper.
Economic Forum), Ghassan Salamé (Institut d’Etudes Politiques, Paris), Martin Beck (German Oriental Institute, Hamburg), and Sven Dosenrode (University of Aalborg, Denmark).

Given the fact that most academic studies on this subject so far are presented in the form of articles, internet publications or book chapters, it can hardly be claimed that this case has been sufficiently investigated. As such, I hope that this research will contribute to the exploration of this subject.

Material: The dissertation is based on four kinds of sources: theories of CFSP, secondary literature on the European Middle East policy, EU and Foreign Ministries official documents and interviews that were carried out in Europe and the Middle East. Nevertheless, it should be noted that the diplomatic action often takes place behind the scenes, away from the glare of publicity, and that exclusive data is difficult to collect. At all levels, the effective decision-making process takes place within the Member States and in Brussels, not only during the meetings, but also before and afterwards: in the corridors, over the phone and by emails, in each others offices, via and during informal meetings and dinners. That said, in order to study the EU policy in general and in the Middle East in particular, one must often rely on perceptions and assumptions made by CFSP actors. Given this fact, the research relies heavily on public statements made by EU diplomats. This includes public speeches, debate articles published in the newspapers, statements made during press conferences, and interviews given to the media by European and Middle–Eastern diplomats.

The written material is complemented by interviews made with certain individuals, academics and politicians, who are familiar with the subject of the paper. The interviews were made later in the research process, most of them took place in the fall of 2004. The main ambitions were to gather some inside information about events taking place behind the public scene as well as to understand the motives of the EU.

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16 This was confirmed by interviewees who maintained that “the political directors meet formally and informally”, and “the decision-making takes place in the corridors.”
In some parts of the study the researcher has come across different or even controversial information; in this case, he has made sure to have it confirmed by a number of persons with different stakes in the issue at hand.
1. Theoretical Approaches to the Problematic Nature of CFSP

Theorizing about European integration is an extraordinary difficult matter. It is dealt with by a large number of scholars and experts, notably political scientists and economists, who study European Union politics. However, theory relating to European integration has suffered from, and arguably continues to suffer from three fundamental weaknesses:

1. The inability of theory to explain or predict the processes of integration given that events normally outpace the generation of theory;
2. The ability of events to undermine existing attempts to create an all-embracing theory because events relating to European integration tend to move faster than most theoretical thinking;
3. The fact that the EU is a political system *sui generis*, that it is unique and bears little resemblance to other existing political entities.\(^{17}\)

Since the aim of this dissertation is not to generally analyse the problems of the European integration process, the theoretical part presented here will concentrate only on aspects of common foreign policy integration, which are relevant to the issue presented in this paper, namely the CFSP in the Middle Eastern context.\(^{18}\)

It will begin by referring to *Functionalism* and *Neo-Functionalism*, which explains the theory of European integration through “*spillovers*”. This theory, based on the idealistic school of thought, is applicable foremost as an explanation of a possible motive for integration in international relations and will be mentioned later in relevant context to the CFSP and the EU Middle East policy.

In contrast to the Neofunctionalistic approach, *(Liberal) Intergovernmentalism* (derived from the school of realism) will be presented as the second theory in this

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\(^{18}\) Bearing in mind that general EU integrations theories are indispensable in order to understand the problem in a broader context.
paper. At the end of this chapter, there will be an explanation of how each of these two contradictable approaches relate to the CFSP, and which one of them is the most applicable to the analysis of the EU’s unique framework and decision-making process in its common foreign policy.

Before the beginning of the theoretical presentation, two points should be stressed:

1. The choice of theory used by an individual researcher (including the writer of this dissertation) in any published work may depend upon personal bias and/or innate prejudice. (see “Personal Bias” on this page)
2. There is no ambitious undertaking of providing one or two theories which might explain EU’s behaviour in the CFSP. The attentive reader will uncover even more theoretical assumptions in the analysis than those which are explicitly spelled out in my paper. None of them would focus sharply or parsimoniously enough on the central issue of what CFSP actually is and how its evolution may be understood, but each would contribute one layer of insight into a complicated and multifaceted problem.

1.1 Personal Bias

The anarchy myth in international relations assumes that international politics is composed of sovereign nation-states and that these sovereign nation-states are beholden to no higher power.¹⁹

Sovereign simply means that a state has absolute independence internationally. Realists talk about the importance of survival in a hostile global environment, arguing that there is no way out of international anarchy. It is unrealistic to think that a well-functioned supranational government could be formed because states would never be secure enough-and therefore trusting enough-to give up power to such an establishment. Thus, just one potential initiator of violence pushes into the realist world where the survival of the states, and the societies that they embody, depends on putting security as the dominant goal.

¹⁹ Compare for example, Evans (1988): 465 (s. under Real Politik)
Realists assume that states use both conflict and cooperation to ensure their security through a balance of power with other states. For them, the EU is a gathering of sovereign states, which retain authority over their own affairs, give power to new cooperative bodies only when it suits them and reserve the right to take back that power at any time. In short, realist theory argues that the EU exists only because the member states have decided that it is in their best interests.20

1.2 Neo-functionalism

Realism, a pessimistic way of looking at the world, was a response to the tensions that arose out of the nuclear age. It did not explain the rising tide of cooperation that followed the Second World War, and also left many questions about the motives behind international relations, including European cooperation, unanswered. As a result, new theoretical debates about European integration have since emerged, focusing on different sets of explanations:

*Functionalism* is based on the idea of incrementally bridging the gaps between states by building functionally specific organisations. Instead of trying to coordinate big issues such as economic or defence policy, for example, functionalists believed they could “sneak up on peace” by promoting integration in relatively non-controversial areas such as postal service, or a particular sector of industry, or by harmonizing technical issues such as weights and measures.21

The thinker most often associated with *functionalism* was the Romanian-born British social scientist *David Mitrany* (1888-1975), who defined the functional approach as an attempt “to link authority to a specific activity, (in order) to break away from the traditional link between authority and a definite territory”22.

Studies of the early years of European integration led to the expansion of theory as *Neo-functionalism* (Ernst Haas). This theory is more detailed than its predecessor and rests upon a deeper academic and descriptive basis than

20 Ibid.
functionalism. Its central argument is that Prerequisites are needed before integration can happen, including a switch in public attitudes away from nationalism and towards cooperation, a desire by elites to promote integration for pragmatic rather than altruistic reasons, and the delegation of real power to a new supranational authority. Only when political actors in several distinct national settings are persuaded to shift their loyalties, expectations, and political activities towards a new centre, whose institutions possess or demand jurisdiction over the pre-existing national states, there will be an expansion of integration caused by “spill-over”:

“Spill-over refers to a situation in which a given action, related to a specific goal, creates a situation in which the original goal can be assured only by taking further actions, which in turn create a further condition and a need for more action, and so forth”.

In other words, joint action in one area will create new needs, tensions, and problems that will increase the pressure to take joint action in another. Eventually, low politics will advance to high politics cooperation.

Neofunctionalism indicates that European spill over has several different forms. For example, with functional spill over, if states integrate one sector of their economies, the difficulty of isolating it from other sectors would lead to the integration of all sectors. Political spill over implies that once different functional sectors become integrated, interest groups such as corporate lobbies and trade unions will increasingly switch their attention from trying to influence national governments to trying to influence the new regional executive, which will encourage their attention in order to win new powers for itself. Once such “spill-overs” have gone far enough and political actors have invested sufficient political and economic capital “sunken cost”, it would become politically impossible and economically impracticable to pull back out again.

23 For example, unlike in functionalism, in neofunctionalism the role of politics and of governments are accounted for.
Neofunctionalists ideas dominated studies of European integration in the 1950s and 1960s, but briefly fell out of favour in the 1970s, in part because the process of integrating Europe seemed to have ground to a halt by the mid-1970s. The most common criticism of neofunctionalism was that it was too linear, and needed to be expanded or modified to take account for different pressures of integration, such as changes in public and political attitudes, the impact of nationalism on integration, the influence of external events such as changes in economic and military threats from outside, and social and political changes taking place separately from the process of integration.26

Haas reappraised his work on European integration, most notably in the 1980s and argued that the conditions which had promoted European integration in the 1950s and early 1960s had effectively run out of steam by the mid-late 1960s. He accepted that the role of nationalism within the evolving EC and the effects of external events (changes in the international system for example) had been underestimated. Consequently, he admitted that the European model of integration was far more complex than he had first realised and that it would not fit easy into a single model of integration; This statement corresponds with the assumption of this research that unlike some integration areas within the EU, which may be neofunctionalist-oriented (first and foremost the economical and social domain), other fields of European integration, such as the common foreign policy, have been developing from a non-functional model.

1.3 (Liberal) Intergovernmentalism

Neo-functionalism’s failure to explain the slowdown of European integration in the 1960s, and the subsequent strengthening of the “intergovernmental” elements of the European Community, led to the emergence of a starkly opposing theory of European integration, known as Intergovernmentalism, mirrored by the works of Stanley Hoffman.27

In line with the “realist school” in IR, intergovernmentalism argues that

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26 Haas, Ernst, B.(1968).
27 Hoffman 1966 (863).
1. The nation state is the principal actor in the development of European integration.

2. European integration is driven by the interests and actions of the European nation-states which are more “obstinate” than “obsolete”.\(^\text{28}\)

3. The main aim of governments is to protect their geopolitical interests, such as national security and national “sovereignty”.

4. Decision-making at the European level is a zero-sum game, where “loses are not compensated by gains on other issues: nobody wants to be fooled”.\(^\text{29}\)

Consequently, Hoffman argues that relations among states could not proceed beyond intergovernmental cooperation, and that in the absence of such high politics integration, the entire European project is doomed to fail. Thus, against the neo-functionalist “logic of integration”, intergovernmentalists see a “logic of diversity which suggests that in areas of key importance to the national interest, nations prefer the certainty, or the self-controlled uncertainty, of national self-reliance, to the uncontrolled uncertainty of the untested blunder”.\(^\text{30}\)

Witnessing the European integration process in the 1990s, however, Andrew Moravcsik has put forward the compelling view that rational choices made by national leaders pursuing economic interests enhanced the credibility of interstate commitments. His tripartite explanation for European integration is based upon a liberal theory of national state formation and concludes that:

1. National preferences are best explained by economic interests;

2. The outcome of interstate bargains is best explained by the relative power of the states involved;

3. The decision to delegate powers to EU institutions is taken because it is the most effective way of ensuring the credibility of commitments from other member states.\(^\text{31}\)

In contrast to the classic realist (intergovernmentalist) theory of IR, Moravcsik

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\(^{28}\) Ibid: 863.

\(^{29}\) Hoffman as quoted by: Hix (1999).

\(^{30}\) Ibid.

argues that;

1. State preferences are driven by economic rather than geopolitical interests (security concerns).
2. State preferences are not fixed (because different groups can win the domestic political contest): whereas classic intergovernmentalism sees interest arising in the context of the state perception of its relative position in the international system, Moravcsik’s model does not treat the state as a black box. Instead, it theorizes the demand for integration outcomes and points to an interaction between state and society in forming national interests. Once interests are formed they are bargained in an integovernmental fashion. In other words, the decision process is divided into two stages, each of which is grounded in one of the classic integration theories: a liberal theory of national preference formation and an intergovernmentalist account of strategic bargaining between states.\(^3\) In the first stage, there is a “demand” for European integration from domestic economic and social actors. As in neo-functionalism and the liberal theory of IR, these actors have economic interests, and compete for these interests to be promoted by national governments in EU decision-making. In the second stage, European integration is “supplied” by intergovernmental bargains, such as treaty reforms and budgetary agreements. As in intergovernmentalism, states are treated as unitary actors, and the supranational institutions have a limited impact on final outcomes. (Moravcsik claims that in the second stage of interstate bargaining, asymmetrical interdependence has more explanatory power than supranational entrepreneurship)\(^33\)

Moravcsik rejects the neo-functionalist view that integration has been driven by a technocratic process reflecting imperatives of modern economic planning, the unintended consequences of previews decisions, and the entrepreneurship of disinterested supranational experts. For Moravcsik, “the integration process did not supersede or circumvent the political will of national leaders; it reflected their will”\(^34\). Thus, viewing European integration in terms of power politics, choices to

\(^3\) Ibid: 136-141.
\(^33\) Moravscik (1998).
\(^34\) Ibid: 4.
pool and delegate sovereignty are efforts by governments to control one another, and distributive outcomes of negotiations reflect patterns of asymmetrical interdependence among policy preferences.\textsuperscript{35}

Moravcsik theory rests on six core assumptions:

1. States will act rationally, first and foremost when they form their preferences, and then when they seek to advance their interests at the European level.
2. Groups articulate preferences and governments aggregate them.
3. Policy preferences and the flexibility of governments in negotiations are shaped by an assessment of potential gains in terms of costs and benefits and the relative influence of producer groups on policy formation.
4. The need to compromise with the least forthcoming government imposes the binding constraint on the possibilities for greater cooperation, driving EC agreements toward the lowest common denominator, as “governments have no interest in making concessions beyond their own objective interest”.\textsuperscript{36}
5. Finally, the LI model advocates that the nature of an issue imposes important constraints on the options available to government, thus making it possible to predict patterns of bargaining.\textsuperscript{37}

1.4 Assessment of CFSP Mechanism

Debates have long raged about whether the European common foreign policy is intergovernmental or functional, or a combination of the two. Following these debates, the next part of this chapter will examine both Functionalism and Intergovernmentalism in the context of the European common foreign policy in order to assess CFSP tendency towards the one or the other presented theories. Three core problems will be referred to:

1. The constellation and function of the CFSP agents,
2. The decision-making process,
3. The coordination complexity.

\textsuperscript{35} Ibid: 8-9.
\textsuperscript{36} Moravcsik (1993): 483.
\textsuperscript{37} Ibid: 488.
Later on, CFSP will be evaluated on the basis of the findings of the chapter.
The aim of this investigation is to lay the theoretical foundations (through an assessment of CFSP orientation) for the understanding of the European Union’s difficulties in providing a common policy in the Middle East and, particularly, in dealing with the Middle East Peace Process.

1.4.1 Agents- (Lack of a Single Voice)

“If it was an individual, the CFSP would have long been locked up in a psychiatric ward with doctors assessing how it could have survived so long with such a deep split personality.”
Cameron Fraser, European Commission, 2002. 38

It seems fair to say that nowadays the EU’s CFSP continues to suffer from a gap between its apparent potential to act, its declared ambitions, and its actual performance. 39 This discrepancy can, to a considerable extent, be explained by the particular institutional and procedural constraints under which the EU decision-making and policy implementation in foreign affairs is taking place. The question of competences is thus central to an understanding of the entire EU foreign affairs machinery, which creates the Union’s foreign policy behaviour in general and its Middle East policy in particular.
The CFSP is not implemented in the same way as regular community policies (e.g. the agricultural, environmental, transport and research policies). It is part of a single institutional framework within the EU. Although its institutions are those which exist in the Community framework, the balance of powers between the Council, the Parliament and the Commission is different. From this point of view, implementation of the CFSP differs considerably from the implementation of other Community policies.

From a formal point of view EU foreign affairs are under the responsibility of the four main institutions of the EU: the European Council, the Council of Ministers, the European Commission and the European Parliament. The main decision-making power, however, lies with the member states which deal with the

38 Cameron (2002): 13
39 In our case, the Middle Eastern and North African Policy.
decisions in the European Council and the Council of Ministers. This implies that unlike other areas of EU policy making (such as trade), the CFSP remains largely at the intergovernmental level. The Member States can act independently of each other within the CFSP, have an unlimited right of initiative (through the European Council and the Council of Ministers) and decide only by consensus. This is different from actions in the main EU sphere, which can only be taken through the Community system, on an initiative of the Commission.\footnote{Monar (1998): 43}

Let us now look at the CFSP agents and their role in the CFSP:

European Council: The European Council brings together the Heads of State or Government of the twenty five and the President of the European Commission. They meet at least once in six months. Its position in the CFSP is to determine the policy’s principles and general guidelines, including those relating to matters with defence implications. While the European Council is the most authoritative EU institution, it rarely has the time to engage in detailed debate on foreign policy. Such debate generally occurs at the Council of Ministers, which is the main CFSP decision-making body.

Council of Ministers: The embodiment of the Member States, whose representatives it brings together regularly at ministerial level. It is composed of ministerial representatives from each member state. For CFSP matters, the Council comprises Foreign Affairs Ministers who meet in the General Affairs Council GAC. Meetings take place at least once a month. The Council has to take the necessary decisions concerning the formulation and implementation of the CFSP on the basis of the general guidelines or common strategies laid down by the European Council. To that end it adopts common positions and joint actions as well as decisions through the assistance of its subordinate bodies COREPER and PCS. For all practical purposes, decisions are taken by consensus.

The Presidency: Every six months a Member State assumes the Presidency of the EU and in that capacity chairs the European Council, the Council of the European Union and the subordinate bodies responsible for preparing proceedings (COREPER, Political and security Committee and the working parties). The
Presidency is responsible for the implementation of CFSP decisions and represents the EU in CFSP matters, notably by conducting political dialogue with third countries on behalf of the Union, and is responsible for the implementation of CFSP decision.

European Commission: Unlike the European Council or the Council of Ministers, the Commission is a supranational EU institution. Its twenty Commissioners - two each from France, Germany, Italy, Spain, and the United Kingdom, and one from each of the other member states, act in the Union’s interest, independently of the national governments that nominated them. In the EU’s first Pillar, the Commission is a central actor. It is not central in Pillar II (CFSP), though, “because member states have been adamant about keeping the CFSP at the intergovernmental, as opposed to the supranational level.” The Commission is, nonetheless, “fully associated” with the work carried out in the field of CFSP (Art. 27). It is the main executive arm of the EU and thus it is solely responsible for a number of external policies of the EU, such as trade and the implementation of CFSP budget, including through appropriate financial proposals. It also has sole responsibility for Community’s actions in the areas of humanitarian, development assistance, rehabilitation, reconstruction, and sanctions regulations. The Commission represents the EU interests throughout the world by means of its extensive network of delegations. The Commission, upset about its estrangement from foreign policy making according to Pillar II, sought to obtain a more important role in the Amsterdam Treaty. However, no important concessions were made to it as the Treaty fortified the pre-eminence of the Council over EU foreign policy making. This served to emphasize the already tense relationships between the Commission and the Council. As Allen argues, “this tension is an institutionally based reflection of the two “cultures” of the EU; intergovernmentalism and supranationalism”.

European Parliament (EP): The EP is kept regularly informed and consulted on CFSP matters by the Commission and Presidency. It is also able to influence the

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42 Maastricht Treaty, 1992, Art. 27.
CFSP at the margins through its control of the budget. Generally, however, its role in the CFSP is limited.

Within the CFSP’s institutional structure, authority has been granted to various other bodies and figures, too (EU High Representative, Commissioner for External Affairs, EU Special Representative). This creates a confusion of representation, and makes the task of attaining an EU policy position even more difficult.

§ First there is the post of HR, required to act on behalf of the Council to conduct political dialogue with third parties (Article 26, Maastricht Treaty). The HR was created in order to give more continuity from one Presidency to another and to give a face and voice to the CFSP. Although it does play an important role in giving the body an identity, particularly when held by a prominent political figure like Solana, it also adds more confusion to CFSP representation—especially considering the fact that it is the Presidency, not the HR, which actually represents the EU in matters concerning foreign policy. There are also speculations and confusions about the roles played by Solana and Patten, the External Commissioner of the Commission.

§ Second, the EU’s external representation is further complicated by the growing habit of both the Council and the Presidency of appointing “Special Representatives” (Envoys) to deal with particular problems. These envoys represent the EU in places such as the Middle East, Bosnia, Central Africa and Cyprus. Here again, there are confusions about their role within the CFSP mechanism.

§ Third, although it has no formal role in the CFSP’s representation, the Commission has more 128 delegations around the world, operating under its external relations authority. These delegations represent the broader position of the EU overseas. Because the Council does not have any diplomatic service, outsiders sometimes mistakenly believe that the Commission delegations represent the CFSP.44 Jointly the EU and the member states dispose the largest diplomatic machinery in the world. With

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44 Some Member states observe the steps taken by the heads of delegation of the Commission in third countries with distrust. This seems to endanger their own status and the political role of their own accredited diplomats.
over 2000 diplomatic missions and more than 20,000 diplomats, the EU has ten times more missions and three times more personnel at its disposal than the U.S. But as Solana has dryly remarked, “it is not obvious that the EU is ten times more effective than the U.S in foreign policy…”

After looking at the division of competence in the CFSP, we may conclude that one of its prime weakness is that it lacks a representative and a single voice. Because of this, outside countries will often contact one or more of the member states in an effort to ascertain the European position. The absence of a single authoritative voice is the most glaring way in which the CFSP differs from the foreign policy of a state. Each state has a central government, which represents its foreign position. In the EU, different actors, represent a dualistic CFSP system (intergovernmental-supranational) at different times. Despite attempts to correct this, there is still no meaningful answer to Kissinger’s question, “who do I call when I want to speak with Europe?”

1.4.2 Decision-Making Procedure- (Lack of Unanimity)

Generally speaking, decision making on CFSP matters requires a unanimous vote. The criticized outcome of this is the “lowest common denominator” whereby the wishes of the most conservative country, closest to the status quo, prevail.

Following the Amsterdam Treaty, a new mechanism has been introduced, known as “Constructive Abstention”, to dilute the inefficiencies surrounding the unanimity rule. Constructive abstention allows a decision to proceed when not all the EU members want to be involved. If member states abstain, they are not obliged to apply the EU decision; but they must accept, “in a spirit of solidarity”, that the decision commits the Union as a whole and they must not adopt any national policy that might conflict with the Union’s decision. Constructive abstention has been criticized by Europeanists for entrenching the intergovernmental nature of the CFSP, because it allows EU members to act for

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46 Ibid.
47 There are, however, three exceptions, where the unanimity rule is replaced by a “Qualified Majority Voting”.
48 The constructive abstention mechanism will not apply if the members abstaining account for more than one third of the Council votes.
reasons of national rather than European interest. Yet, as some EU experts claim, it also allows more decisions to proceed at the EU level, which encourages member states to identify with broader European interests.

1.4.3 Coordination within Intergovernmental/Dualistic System

After looking at the CFSP separation of bodies and its decision-making process, an analysis of the external relations responsibilities within the EU proves to be terribly confusing. The EU political system is highly decentralized because of the many institutions involved in CFSP, and different instruments can be applied. The variety of institutions and instruments makes it necessary to coordinate the activities.

Indeed, coordination has become a key-word in the European decision-making process which “eventually has the most formalized and complex set decision making rules of any political system in the world.”49 In terms of a very simple formula one can say: the more the Union is integrated or the higher the level of integration is the more procedures are necessary to coordinate the activities of the Union. Let us now analyze at the difficulties caused by coordination complexity in the CFSP, which, in turn, prevent the EU from executing an optimal output of foreign policy performance in the Middle East.

Coordination within an Intergovernmental System:

Apart from official coordination among the member states within the framework of the Council of Ministers, it also takes place in other, less open forums.

§ The most powerful is no doubt the Paris-Berlin axis which was institutionalized by the 1963 Elysé Treaty. Most important EU initiatives over the years either came from the partnership directly, or have been cleared there before being launched.

§ Another, less strong axises is London-Paris and the Berlin-Paris-Warschau axis (known as the “Weimarer Dreieck”).

49 Neisser (2001): 2
§ Less known, but powerful and very unofficial, is the so-called “Quint”; it consists of Germany, France, Italy, Spain and the UK. It is not formalized with regular meetings-as far as is known-but it meets ad hoc, to coordinate and consult among the great powers of the EU.\textsuperscript{50} The meetings take place at either ambassadorial or ministerial level. It is, not surprisingly, regarded with strong suspicion by the smaller member states, although there is a certain understanding of its existence out of pure efficiency considerations. The interests of the five quint states are perceived as being so different that they do not, at the moment, pose a genuine threat to the official procedures in the Council of Ministers.\textsuperscript{51}

§ Finally, The EU enlargement of May 2004 has introduced more diverse interests and less cohesiveness into the EU, thereby making coordination even more difficult. Enough problems existed when there were fifteen members; with twenty-five, the lowest common denominator has become even lower.

Coordination within a Dualistic System:

Roughly speaking, the EU Foreign Policy capability consists of two rationales (dual system) with different legal basis, decision-making rules and procedures: A “Supranational” part, mainly the responsibility of the Commission, and an “intergovernmental” part, where the final decisions are being made, mainly the responsibility of the Council of Ministers\textsuperscript{52} or in other words, the Member States. (The word “mainly” indicates that there are many grey zones and overlaps). This institutional structure can clearly create problems of coordination and institutional rivalries; for example, coordination between the Commission and the Council of Ministers, as well as coordination between the Commission and the Member State holding the Presidency. In order to respect the internal division of competences, the Union often needs to be represented in one and the same negotiations by both the six-month rotating Presidency (representing the Members States) and the Commission. Therefore, the coordination effort needed can be enormous and

\textsuperscript{50} Ibid: 33.
\textsuperscript{51} Ibid.
\textsuperscript{52} Dosenrode/Stubkjaer (2002): 1
international partners are puzzled frequently by the bewildering range of interlocutors on the EU side.

In summary, the above examination of various aspects of the functioning of the European Union’s dual system of foreign affairs has shown the extraordinary complexity of external policy making and policy implementation by the Union. The EU decision-making process in external relations is aimed at striking a balance between the supranational element represented by the Commission and the interests of the member states represented by the Council. Yet this balance comes at the price of the cumbersome interaction between the key players which produces sub-optimal results on the search of consensus- it seriously delays necessary action, and often leads to complex “package deals” on external issues between the member states themselves and between the member states and the Commission. This, in turn, makes the member states reach a decision on foreign affairs either on the basis of the lowest common denominator (for example, vague political declarations, a case typical in the Middle East conflict) or (often enough) not at all. A rather puzzling and difficult situation for third countries to understand.

The fact that the decision-making process is cumbersome and complex points out to the so called “capability-expectation gap” (Hill, 1993) in that the definition of objectives has not been adequately matched by the creation of resources appropriate to those objectives. At the same time requirements are increasingly being put forward for improved consistency and coherence in foreign-policy making. The EU, however, does not have the resources or the political structure to be able to respond to these demands. More than ten years after the publishing of his article, however, CFSP is still far from being able to fulfil the hopes of those who want to see it in great power term; firstly because a coherent system is still far from realization; and secondly because this inconvenient fact has often been ignored in Brussels, in the heady swirl of international transition. More often than not, the CFSP does not figure highly on the radar screens of the EU’s principal partners. Equally, the numerous statements and declarations of which the

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54 Ibid.
EU is so fond of cut little ice in the chancelleries of Washington, Jerusalem and Ramallah.

1.5 Conclusion - Functionalism & Intergovernmentalism applied to CFSP

The findings of this chapter point to the fact that the main decision-making power within the CFSP lies with the Member States. This implies that the CFSP remains largely at the intergovernmental level. Yet, political researchers and EU experts share different opinions about the tendency of CFSP towards either functionalism or intergovernmentalism. Let us now refer and comment on some of these approaches, while trying to assess their validity.

Some neo-functionalists would argue that the establishment of the ECP in 1969 created functional pressures to enlarge its scope to the creation of a broader cooperation framework. Others, among them Philip Gordon, would further argue that the creation of CFSP in its present form was the outcome of a spill over effect from economic into common foreign and security cooperation. Gordon refers to functionalist pressures deriving from the economic integration of the Single European Market (SEM) and the Monetary Union (EMU), arguing that the economic functional pressures (the imbalance between the economic and financial capacity of the EU and its limited political role on the world scene) as well as the acknowledgment that some international crises cannot be contained by purely economic means, created the need for a common foreign policy to represent and pursue the interests of the Union.

Joseph Nye also supports this approach, claiming that political events at the end of the 1980s and the beginning of the 1990s, such as the end of the Cold War, the collapse of the Soviet empire in Central and Eastern and the Gulf War, have been a motor of the quest for a common foreign and security policy.

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55 Gordon (1998): 159-185
56 Ibid.
Doris Nastase believes that some actions undertaken by the EU such as the decision made by the European Council in Cologne in June 1999 to merge the CFSP and WEU (the Western European Union) may confirm at the neo-functionalist claim that the CFSP integration can be measured through its spillover effect, in the power granted in a step-by-step approach to the supranational authorities.\(^{57}\) Nastase explains that many of the common positions and actions that had to be undertaken by the EU in the framework of the CFSP displayed a double political and security character. The two issues could no longer be kept apart. WEU, an already existing security/defence structure had gradually become closely connected to the work of the CFSP. Consequently the transition from foreign policy coordination to a common foreign and security policy took the form of spillover.\(^{58}\)

These three approaches mentioned above surely make sense insofar that they point out to particular reasons for integration in the foreign policy domain. However, they fail to distinguish between two different levels of the CFSP evolution: the basic need to conduct a common foreign policy and the implementation process itself which created the complex CFSP mechanism in its present form.

Neo-functionalism can therefore be applied for the explanation of some areas of the European integration’s process (especially the economical domain) past and present. However, the theory can be only superficially valid since it does not comply with the empirical evidence available on how the European common foreign policy actually functions today. The evidence against neo-functionalism considers mainly the extremely limited role of supranational decision-making in CFSP and the fact that there is no advance in common foreign policy integration in the way described by neo-functionalism in terms of power granted to supranational institutions, because there was and there is no considerable loss of autonomy by the member states due to the sensitive political nature of the issues coming within the CFSP’s scope.

\(^{57}\) Nastase: (2001): 179-186
\(^{58}\) However, Nastase admits that it is not obvious how the horizontal extension of the CFSP to defence issues can help represent and pursue the interest of the Union in political or economic terms. Nastase (2001), Ibid.
To a certain extent the development of CFSP can be better explained by the distribution of power and preference as per the **Intergovernmental** and **liberal intergovernmental (LI)** models as proposed by Hoffman and Moravcsik respectively. These models can explain the most important factor in CFSP evolution, namely the negotiations process in Maastricht and Amsterdam which were based on three principles:
1. Intergovernmentalism,
2. Lowest-common-denominator bargaining,

These principles were visible in the negotiation process because the negotiations were conducted by representatives of national governments, and because the negotiations were dominated to a great extent by the larger European states and the final outcome could not be regarded as an upgrading of the common interest, but more as a compromise between conflicting national positions. (It was universally acknowledged that CFSP would not work without the support of the French, Germans and British who had to reconcile their differing approaches on the negotiations table. Consequently it has been argued that this forced a “lowest common denominator” package deal). Indeed, while Pillar I of the Amsterdam Treaty inherently draws on the integrationist/ (neo) functionalist method of cooperation, CFSP provisions of the second Pillar has been, and remains still, primarily a de facto intergovernmental endeavour: The CFSP does not require the member states to abandon their national foreign policies because “foreign policy goes to the heart of what it means to be a nation”. Instead it runs alongside them in an extremely complexed manner, reflecting an intergovernmentalist nature through:

- The decision-making processes where the nation state plays the major role.
- The complexity of the CFSP dualistic system where rather weak supranational bodies confront strong intergovernmental bodies.
- The coordination between member states, who bargain with one another in a variety of gremien before taking the issue to the relevant CFSP body.

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59 To a certain extent this confirms LI predictions that member states such as France and Britain control and influence negotiations in order to lock-in their preferences.
60 Patten, (2002a).
Intergovernmentalists perceive the asymmetries of power in EU institutions as being tilted towards the former at the expense of the Commission and the European Parliament, who cannot effectively impose policies which the representatives of the member states do not want. Thus, the EU regime merely fixes interstate bargains until the major European powers choose to negotiate changes. For intergovernmentalists this is evidenced most clearly by examining intergovernmental conferences where major treaty changes are the results of bargains struck between key member states, with the European Commission (representing the supranational level) playing a marginal role.

Finally, the lowest common denominator outcome, as suggested by LI, also strength the theory of an intergovernmental CFSP. As Moravcsik claims,

“one implication of bargaining on the basis of the intensity of preferences is that the need to compromise with the least forthcoming government imposes the binding constraint on the possibilities for greater cooperation, driving EU agreements toward the lowest common denominator”61

Not all European observers agree with the assumption that CFSP is intergovernmental oriented or with Moravcsik´s way of studying European integration. Although they agree that classical neofunctionalism underestimated the importance of domestic politics, they argue that intergovernmental perspective underestimates the importance of the role of supranational institutions, and does not account for the lobbying that takes place in Brussels or the “Europeanization” of national policy making, which has taken place.62To that end, it is argued that the CFSP as a process also provides a fundamental “litmus test” for intergovernmental and LI core assumptions, as some aspects of Moravcsik’s argument can be challenged.

In contrast to supporters of either the one or the other theories mentioned above, Manners and Whitman believe that both Intergovernmentalism and Supranationalism are more or less equally represented in the CFSP. This, they

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argue, is the outcome of the dilemma faced by member states in the early nineties, who had to adapt to the changes brought by EU membership and the post-Cold War environment. On the one hand, closer cooperation in foreign and security policy had the potential to reap benefits. On the other hand, some member states were anxious to maintain the status quo of Cold War international relations which had previously guaranteed their status as international “powers”. Consequently, they argue, European foreign policy coordination remains the imperfect compromise between Europeanization and national control and therefore, the nature and procedures of CFSP are neither strictly intergovernmental nor “common”. Instead, it could be argued that they have developed along a “third way” which does not correspond to one single classic doctrine or model, but, as the outcome of the Maastricht negotiations has demonstrated, it is acceptable to both advocates of a supranational and intergovernmental approach to CFSP.

Summing up the variety of opinions and arguments in this chapter, it is clear that the CFSP provides useful example of how intergovernmentalist accounts of European integration remain partial and how several of the core assumptions of, amongst others, Moravcsik, can be questioned. Both the substance of what was agreed in Maastricht and, more importantly, the nature of the processes that led to that agreement, indicate that intergovernmentalist accounts do not yet provide a complete explanation for all the developments in European integration. Intergovernmentalists assume that state behaviour will be different in areas of high and low politics, yet focusing solely on the behaviour of the key set of policy actors responsible for the final decision may be somewhat short-sighted. However, whereas neofunctionalism, which advocates supranationalism, can be applied as a major theoretical approach to the study of spillovers in the general European integration process, it proves to be unsatisfactory when it comes to the particular case of the CFSP provisions, as formulated in Pillar II of the EU Treaty. Although the CFSP contains some supranationalistic elements, it is still the intergovernmentalist orientation, as outlines by the intergovernmentalistic approach (and as empirically approved by the complex CFSP framework), which dominates the European common foreign policy and which is the most appropriate theory for explaining the complexity of the latter. The

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63 Manners/Whitman (1998): 244.
intergovernmentalist approaches appear to correspond with an international system of flux and take the path at least resistance in a policy area fraught with tensions.

In line with this assumption, this dissertation will rely on the hypothesis that the intergovernmental nature of the CFSP is a central element for the understanding of the European foreign policy behaviour in the Middle East. We will witness the problems of an intergovernmentalist-oriented CFSP arises in a number of fields within the Middle-Eastern context such as Europe’s role vis-à-vis the United States, its approach towards the Israeli-Palestinian conflict, its engagement in the Mediterranean region and the relations with Iran. The weak political performance of the CFSP will also explain Israeli and Arab approaches towards European efforts in the Middle East peace process.

1.6 The “Shield Effect”

Given this limited operational range, what are the gains which may be obtained through an intergovernmental-oriented CFSP Framework? Let us consider this in a classical context, borrowed from the analysis of economic policy, between aims/objectives and instruments/measures. It is here that an allusion to the didactic notions active, reactive and reflexive policy may become fruitful. In reality one will fuse into the other. But they may help us in evaluating the successes and failures of the Framework in the Middle East in general and the MEPP in particular.

If we consider the aims and objectives of the CFSP Framework, an active policy is that which seeks to influence events directly; to posit “Europe” as an initiator of policy and a veritable actor. A reactive policy is one which is less concerned with direct influence, but rather with containing world events so as to minimize costs to the reactive power (in our case, EU Member States). Under various guises, these two elements exist in most inter-state foreign policy making. European Political Cooperation ushers forth a third policy component, additional to the active and

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64 As suggested by Weiler (1988): 249-250.
reactive ones, namely reflexive policy.\textsuperscript{65} Here, the chief concern, though rarely exclusive, will be the actual formation of a common policy as an integrative value per se.

In the context of the Middle East conflict, the trans-national nature of the reactive policy within the EU Political Cooperation Framework allows the evolution of what has been called the “Shield Effect”.\textsuperscript{66} Member States may adopt a common reactive position, for example critical of Israel or Iran, and attribute it to the discipline of the common European policy established within political Cooperation.\textsuperscript{67} In so doing, these matters of foreign policy would, \textit{ipso facto}, interest the general government (EU supranational institutions) and would, by contrast, exempt the constituent states (especially those with a non-significant foreign policy) from the task of conducting their own policy over a matter which may be of less concern or even ambivalent for them (such as the Middle East peace process). Moreover, it would exempt them from entering into a conflict with a third country over a certain adapted policy, since the policy is one of the body to which it belongs and not its own.\textsuperscript{68} The benefits of the Shield Effect could, in principle, be also reflected on the internal political level whereby a national government, in the face of internal parliamentary or popular opposition to a course of foreign policy, could explain its policy as following the common European line.

Under the frame of reflexive policy, the Shield Effect presents itself here in an even more curious manner for activity within the political cooperation Framework. In this case it could be regarded as substitute policies- an empty gesture of European make-believe integration but in reality a cover up for a failure to deal with the more pressing internal problems of Europe.

As emphasised, the analysis of the aims and objectives of the CFSP Framework must be sought in all three elements interacting and overlapping. Each of these

\textsuperscript{65} Ibid: 250.
\textsuperscript{66} Ibid: 250.
\textsuperscript{67} Compare with the second premise of the Federal State, as introduced in chapter 1.5.
\textsuperscript{68} This assumption may explain why countries with no significant foreign policy, such as Belgium, Finland and Luxembourg have been more willing to transfer sovereignty to the EU institutions then the big powers.
provides us with an instrument which may be useful in explaining, in systematic
terms, the activities of the EU vis-à-vis the Middle East and the Mediterranean
region. These categories will be mentioned again later in this study, for example
when formulating an explanation of Israel’s negative position on the European
Union’s direct involvement in the MEPP.

2. Europe and the Middle East
Conflicts - Past to Present

In order to have a wider perspective on that issue, with particular reference to the
Middle East context, it is also important to approach the issue in a perspective of
evolution over time. The next chapter will thus attempt to do so. It will outline, in
short, the relations between Europe and the Middle East beginning from the 1950s
until present times. It will point out to the fact that the problematic of European
common foreign policy in the Middle East is not necessarily a new “symptom”
resulted from the CFSP mechanism as outlined by the 1992 Maastricht Treaty, but
rather a phenomenon which existed long before CFSP was created.

2.1 The European Legacy in the Middle East

In a major sense, EU’s involvement in the Middle East Peace Process is not
simply a product of the Cold War but is also a consequence of the legacy that the
European powers bequeathed to the region. The European legacy stemmed from
the impact of British and French occupation in the aftermath of the First World
War, which had serious consequences for the region, both physically and
psychologically. After the disappearance of the Ottoman Empire, the Middle
Eastern region was sliced up according to the Great powers’ individual strategic
needs. Both Britain and France acted selfishly when deciding upon the division of
the region: their dealings aimed to serve their own colonial interests and to
perpetuate their dominance over the region. Since those foreign interests were
often contradictory, the resulting interactions were often contrived haphazardly:
arbitrary boundaries and new artificial entities were created, some of which were unlikely to have emerged naturally, and little regard was given for geographical, hydrological, or environmental realities.\textsuperscript{69} The new borders were approved in an Agreement signed in San Remo in April 1920. After more than three years of negotiations between the two powers, France was granted the mandate over Syria, a part of which they later carved out to be called Lebanon, an area with a Christian majority. Britain received the mandate over the newly created Iraq, as well as the mandate over Palestine, which initially included Transjordan. In the years that followed, some minor changes occurred. The final border agreement was signed in March 1923, following lengthy negotiations between Britain and France, mandating the evacuation of the British from the Golan Heights area and its inclusion within Syria. In return, the British got a hold of the eastern part of the Sea of Galilee and the area south of it.\textsuperscript{70}

The profound changes imposed upon by the European powers occurred so rapidly that the peoples of the region could hardly assert themselves effectively in determining their own fate, and were forced into colonies and mandates. More disastrously for the regions’ Arab inhabitants, a legal framework known as the “Balfour Declaration” was introduced in Great Britain in 1917 to allow the wholesale immigration of European Jews into one of the mandates, Palestine. This subsequently produced a gradual, then rapid, displacement of many of the indigenous Palestinian Arab people, forming the basis for a long-running series of crises in the region and becoming a regional conflict after the end of the mandatory rule in 1947 and the creation of Israel in 1948. On the whole, “\textit{the mandatory era resulted in a sense of something interrupted rather than a natural social and political evolution into the modern era.”}\textsuperscript{71}

During the Cold War era, both superpowers were in competition for influence in the region (due to its strategic importance and the presence of a critical natural resource, namely oil). They sold arms to the states in the region, which allowed

\textsuperscript{69} Especially serious was the manner in which those who drew the map of the modern Middle East disregarded the issue of water. With the exception of Lebanon, none of the states they created was provided with independent water resources, and no mechanisms were out in place for coordinating in the utilization of internationally shared resources.


Middle Eastern governments to pursue their conflicts at a higher level of aggression. Despite the interdependent relationships, the superpowers had comparatively little ability to influence the politics of the Middle Eastern states. As a matter of fact, “the superpowers were drawn into these conflicts in response to developments that were not of their making and were also not to their liking.”

Once war did occur, however, it was the superpowers that were able to determine the outcome. Through the prudent use of logistic support for their allies and the threat of intervention, they were able to bring about an end to the fighting without altering the basic status quo, thereby avoiding a clash between themselves and evading involvement in the underlying causes of the conflict, as well as preventing a decisive outcome. Throughout this period, the individual European states played almost no significant political role but endeavoured to maintain their commercial and trading interests, even with Soviet friends in the region.

It was only after the Cold War that the real opportunity for Europe emerged to address some of the issues bequeathed by the European legacy, in particular the Palestine problem.

### 2.2 1950s and 1960s – European States’ Policy

Until 1970 and the “Davignon Report” advocating policy coordination between the EC members, European involvement in the Arab-Israeli conflict, if there was any, can be examined only in a bilateral perspective- namely, the relations between the individual European states and the Middle East.

In this chapter, covering European-Middle Eastern relations in the 1950s and 1960s, there is therefore only reference (in short) to the French, German and British policies, since the other west European states had neither significant role nor great influence in the conflict at the time.

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France

The French sympathy towards Israel in the 1950s was, among others, reinforced by the perception that Israel was a socialist country—a “pioneer country socializing itself.” France supplied substantial quantities of arms to Israel in the early and mid-1950s, and joined Britain and the United States in the Tripartite declaration of May 1950, in which the three powers announced their support for the territorial integrity of Israel.

After the 1956 Suez Operation (where France and Britain fought along-side with Israel against Egypt), France, under the Fourth Republic (pre-1958), chose to focus on relations to Algeria and continued to exhibit strong support for the nascent Jewish state. However, under the Fifth Republic, De Gaulle initiated a strategic change in France’s foreign policies. First, he sought to establish a global policy profile for France, independent of that of the USA and the USSR. This also included the search for an internationally supported/global solution to the Middle East crisis. Secondly, France sought to improve relations with the Arab world. France’s relations to the Arab world were complicated. With the memory of the Suez War still lingering, it was only after Algeria gained its independence in 1962 and the French opposition to Nasser was softened that France was able to conduct a more balanced policy towards the Arab-Muslim world. It was also only then that France was able to assume the role of mediator between the European Community and the Maghreb, changing its status from a colonial power to a post-colonial nation seeking international relations of a more balanced and cooperative nature. The interests that drove the French involvement were the need for a supply of raw materials, especially oil, from the region and, eventually, the export of arms to the region. Already then, France preferred a system of bilateral relations and the freedom to conduct national initiatives, which inevitably hampered Community efforts. Despite de Gaulle’s attempts to improve cultural and economic relations with the Arab world, particularly after 1962 when diplomatic relations were gradually reopened, France continued to supply Israel with arms, and de Gaulle publicly referred to Israel as a friendly and allied state.

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74 Ismael (1986).
75 Ibid.
76 In response to the nationalisation of the Suez Canal by President Nasser.
In 1967, with rising tensions in the Middle East, France declared that each state in the region had a right to live, and that France would refuse to support any state that took up arms against another. In this line, France refused to grant military support to countries involved in the 1967 war, including Israel, (which, at the time, had relatively few weapons arsenal at its disposal, and felt as if it was fighting for its survival). This position disappointed Israel and may have been one of the reasons for the following mistrust and scepticism of European involvement in the Middle East. As Dosenrode argues, “The French U turn was also to have significant implications for the future relationships between Israel and France, and as a consequence also the long-term relations to the European Union.”

West Germany

In the immediate post-war era, West Germany was primarily focused on domestic issues, and with events during World War II in Germany vis-à-vis the Jews, the Middle East was deemed a far too sensitive area in which to be engaged politically until the emergence of the European Community’s joint approach. From the 1950s, West Germany paid some $1 billion in repatriations of the Holocaust victims living in Israel. It also provided military aid to Israel, apparently from the late 1950’s. Some of this aid took the form of significant quantities of U.S. equipment, including tanks, which became surplus as the U.S. military aid program for Germany continued. These deliveries were undertaken largely because the United States itself did not want to provide equipment directly to Israel.

Meanwhile, from its outset in 1951, Arab boycott on companies trading with Israel affected Germany as well. While a number of German corporations defied the ban, no fewer than two hundred complied over the ensuing three decades, and these included such heavyweights as Telefunken, BASF, and Siemens. The Arab pressure went on even to countries warmly disposed toward Israel at the time—the Netherlands, Denmark, Belgium and Norway, who were helpless to block private

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77 Dosenrode/Stubkjaer (2002): 60
businesses from exercising their own direction in buying or selling in the Middle East.\textsuperscript{78}

Under Arab pressure, the German government chose to end the military program with Israel in 1965 but at the same time to establish formal relations with the latter. As a reaction, ten Arab states broke their own diplomatic relations with Bonn. Several Arab states, including Egypt, later renewed ties, and the Arab League took the position that any member may do the same in its own good time.\textsuperscript{79}

From 1969 and on, Chancellor Brandt appeared to be carving out a more “even-handed” Middle East policy as a feature of his Ostpolitik. Given Europe’s palpable dependence on Arab oil, Bonn’s “even-handedness” was likely to continue.

With World War II in mind, there was a clear demand from Israel that German policies towards the region should reflect the special obligations that the Germans felt towards the Jews. This attitude held sway for some time, but as the generations changed the nature of the collective memories and guilt complexes of the people, the attitude towards Israel began to change during the 1970s.

\textit{United Kingdom}

During the 1950s and 1960s, as the great-power competition in the Arab-Israeli arena became almost exclusively a matter for the United States and the Soviet Union, the British held back, husbanding what little diplomatic capital they had. Britain had no interests or influence in Israel comparable to those of the United States. In Egypt, where it had never recovered from the Suez affair in 1956, it had the added handicap of embroilment in Yemen and Aden where Nasser’s ambitions lay.

\textsuperscript{78} At no time did the Arab campaign choke off Israel’s international trade, but the damage was heavy. An Israeli finance ministry report covering the period 1972-83 estimated that as consequences of Arab economic warfare, the nation in these years had lost more than $6 billion in exports.

\textsuperscript{79} As Mohammed Hassayan Hakel argues, “the Arab states had good reasons to renew ties: absence from “the German front” would only serve to hurt the Arab economies and to help Israel.” (Al-Aharam, November 1971), in: Campbell/Caruso (1972): 35
From its outset in 1951 the Arab boycott on companies trading with Israel operated with great effect in Britain. Like Bonn, London refused officially to participate in the quarantine, yet it could hardly bar individual companies from pursuing their own opportunities in the Middle East. From 1951 on, a substantial majority of Britain´s larger companies sooner or later capitulated to the boycott, and these included such giants as Shell, British Petroleum, and a large number of banks and insurance firms.

In 1967, Britain counselled peace to both Arab and Israeli sides during the crisis of May which preceded the Six Days War, and took part in the attempt to organize the maritime powers to support Israel´s right to navigation through the Strait of Tiran, but in neither respect was its diplomacy effective (nor was that of anybody else).

After the 1967 Six Days War, London vigorously supported the idea of comprehensive settlements in which both sides would make concessions: Israel on withdrawal and on the Arab refugees; the Arab states on recognition of the Jewish state, the end of belligerency, and freedom of navigation. In the U.N General Assembly, Britain voted against the draft resolutions for unconditional Israeli withdrawal, and Lord Caradon´s dexterous diplomacy in the Security Council finally brought about unanimous agreement on the famous Resolution 242 of November 22, 1967.

To conclude, it may be argued that the original EEC member states (including Britain) had quite different approaches to the Middle East in the 1950s and 1960s. Even the Six Days War of 1967 could not produce a common stand; neither among the EC member states, nor among the „relevant“ great powers, the UK, France, Germany and Italy. Especially France, but also Italy, supported the Arab side; Belgium opted for a UN solution, whereas Germany declared itself “neutral” but de facto supported Israel, together with the Netherlands, which defended the Israeli cause within the EEC.
2.3 1970s – Oil Crisis/ Euro-Arab Dialogue

Towards the end of the 60s, troubled by superpower domination of international affairs, the EEC explored the likelihood of redefining itself as a straightforward “European Community”, a confederative player on the fullest ambit of international affairs. Until then, Charles de Gaulle had attempted unrelentingly to superimpose his own parochial vision of French grandeur on Europe’s anticipated role as an independent “third force”. But with the General’s resignation as president of France in 1969, and with Britain, Ireland, and Denmark soon to join the Common Market, an opportunity for the EEC nations to move into the wider arena of political cooperation became real.

In early 1970 their respective governments provided an answer by endorsing the “Davignon Report”, the blue-print produced by the EC Council of Ministers, advocating across-the-board policy coordination as a European Community on vital issues of international stability and security. The Davignon Report, which created the “European Political Cooperation” (EPC), was approved in October 1971. The rationale for the creation of the Framework was rooted in the claim that, given the actual state of internal European integration, the failure to operate in the field of foreign policy was a waste of a significant potential. In other words, that a common European foreign policy would be able to project into the world environment for the joint power of the partners, a power that was greater than the sum of the individual units. A Europe which would act and react as a single actor to world events would by this vision be more effective than before. Whereas the objective rationale pointed towards a rosy future in terms of the Framework for political cooperation, the reality already at its inception was a powerful countervailing force within this frame. The operational details set up by the “Davignon Report” were not far-reaching. The Framework for political Cooperation was to be non-organic and critics of the EPC labelled it peripheral, limited, declaratory, dealing with uncontroversial issues.

One of the first topics on the new EPC agenda was the Middle East Conflict - a ticking time bomb that in 1956 and 1967 had paralysed the Suez Canal and seemingly threatened to engulf Europe itself in a Great-Power confrontation.

By a commemorative setting in May 1971 to mark the twentieth anniversary of the Schumann Declaration\(^{81}\), the EC issued the “Schumann Paper”. The statement recommended a progressive Israeli withdrawal from the occupied territories, with only minor border changes and a free choice for Palestinian refugees either to return to their homes or to accept repatriation and indemnification. The paper reflected strong French influences, and it was decided to keep it secret, as Italy, Germany and the Netherlands had reservations about it. Roughly consistent with UN Security Council 242, the document signified no dramatic change in atmospherics concerning the Golda Meir government. It was leaked and condemned by Israel, who urged the Six “to maintain a neutral attitude.”\(^{82}\)

In January 1973, Denmark, Ireland and the UK joined the EC. Their membership did not improve coherence: contrary to France, British Middle East policy at the beginning of the 1970s has been somewhat ambivalent and inconsistent. Apart from historic involvement, the UK’s motives for engagement in the Middle East before 1973 were similar to those of the French: trade and access to energy. Denmark traditionally had a pro-Israeli attitude.\(^{83}\) Yet, the Middle East was not an important topic in Danish foreign policy at the time. This was also the case for the Irish policy, being a fairly small and “remote” European country with a very limited foreign political activity.

When war between Israel and its Arab neighbours erupted on 6 October 1973, the reactions of the EC member states were mixed. Bearing in mind the dangers of simplification, it can be said that there appeared to be three blocks within the EC; a Pro-Arab block (France, Italy), a neutral block (Belgium, Ireland and probably the UK) and a pro-Israeli block (Netherlands, Denmark, Germany)\(^ {84}\)

\(^{81}\) French Foreign Minister Maurice Schumann’s declaration from 1951 led to the birth of the European Community.
\(^{82}\) Ibid.
\(^{83}\) Dosenrode suggests that this attitude was strengthened by most Danish governments after World War II, being social-democrat and having natural ties to the Israeli governments which were labour for the first 30 years. Dosenrode (2002).
\(^{84}\) Ibid.
Certainly, the oil crisis that followed the war (Arab oil embargo on oil exports to the United States, Portugal and the Netherlands because of their support for Israel, and 5% cut back sanction on Belgium, Denmark, Germany, Luxembourg and Italy) had influenced EC attempts to create a common Middle East policy and to show a united front; Before the 1973 Yom Kippur War, only France and Germany had had a kind of Middle East policy. Now they all had to have one. What would be more natural than using the EPC to create a common Middle East policy and to show a united front?

The first official EC declaration regarding the Middle East Conflict was published by the EC Foreign Ministers shortly after the Yom Kippur war, on 6. November, 1973. The declaration was no more than an interpretation of the UN resolution 242, but as Dosenrode claims “in a rather pro-Arab way”. The aim was to appease the Arab oil states and to end their oil embargo. The declaration did not fail to achieve its goal as the reaction came a few days later from the Arab summit in Algeria, where the end of most of the oil embargo was declared, though the Netherlands was still to be boycotted (for its support for Israel) in spite of being one of the Nine signing the declaration. The November declaration of the Nine marked the beginning of what was subsequently called the “Euro-Arab dialogue” between the EC and the Arab world. (See the following chapter)

Israel was disappointed about the turn of events, and its Foreign Minister at the time, Abba Eban, declared that the EC statement meant “Oil for Europe and not Peace in the Middle East”.

In 1974, Brandt resigned as Chancellor of the Bundesrepublik and was replaced by Helmut Schmidt. A member of the Social Democratic Party’s conservative wing, Schmidt regarded it as vital that “objective” economic factors determine Bonn’s Middle East policy. The most critical of those factors, of course, were rising oil prices and the Bundesrepublik’s balance-of-payments deficit to the Gulf

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85 At the time, Western Europe’s dependence on Middle East oil had grown dramatically: Europe was importing some 80% of its oil from the Middle East, with all but 20% of that flowing from Arab countries.
87 The embargo on the Netherlands lasted until March 1974.
88 Weiler as quoted by Dosenrode (2001): 87
States. These had to be made good by increased German exports to the Arab nations. Even more than his predecessor, therefore, the new chancellor encouraged ministerial and business visits to the Arab world. The initiative soon began to pay dividends. German exports to the Arab states rose from DM 3.6 billion in 1973 to nearly DM 30 billion in 1981. At the same time, Arab governments invested substantial quantities of their oil profits in German industry. Although cultivating good relations with the Arab world, Schmidt consistently opposed the award of observer status to the PLO in the United Nation’s “as long as the PLO does not agree to Israel’s right to exist within secure and recognized boundaries, and does not renounce acts of force and violence”.

Meanwhile, with Spain’s 1976 reversion to a constitutional monarchy under Juan Carlos, Israel looked forward to a full normalization of relations. However, expectations of diplomatic relations remained premature. The Arab nations intensified their pressure on Madrid, threatening curtailment in oil supplies and cancellation of an impending $450 million loan to the Spanish government. Shelving all plans to establish official ties with Israel, Prime Minister Adolfo Gonzalás then arranged instead for King Juan Carlos to embark on a series of goodwill visits to Arab capitals.

The European Community’s 1977 “London Declaration” was a reaction to Carter’s initiative in the Middle East at the time. The statement embraced Carter’s approach while identifying the Palestinian problem as the core of the Middle East conflict.

In 1979, the need for a joint EC policy in the Middle East was again reinforced after the establishment of the Islamic Republic of Iran. This event resulted in interrupted oil supplies and quantum price increases. It obliged the Germans, Italians, and Benelux nations to increase their oil imports from the Gulf Arab States and from Libya and Algeria.

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90 Ibid: 297.
91 Ibid: 298.
92 Ibid: 298.
93 In 1977 the PLO was allowed to open an information bureau in Madrid, and in 1979 the Suárez government tendered Yasser Arafat his first official reception in a Western capital.
After the signature of the peace agreement between Egypt and Israel in 1979, the EC expressed its congratulations to the three involved parties, urging the other Arab states to take a constructive stand by participating in the peace process. At the same time however, the Council of Europe (at the time a non-official but prestigious collection of European parliamentarians) issued a statement based on a consensus that the Camp David process was “fatally flawed” since there was no real efforts made to solve the Palestinian problem.

To conclude, it may be argued that apart of some efforts in the 1970s which resulted in two relatively non-significant declarations and the launching of the Euro-Arab dialogue, nothing much happened concerning the EC’s involvement in the Middle East conflict, and the tendency of bilateral relations between individual European states and the Middle East had continued. Nonetheless, there is no doubt that the oil crisis of 1973 had influenced the attitudes of individual European states towards the Middle East conflict. Panayotis Ifetos, expert on EC-Middle East relations, claims in this respect that

“*It (the oil embargo) made Europeans brutally aware of their vulnerability in both economic and political terms; it changed the pattern of relationships with both Israel and the Arab world, and brought about a dramatic shift towards more pro-Arab attitudes; it revealed the extent of European external disunity and generated calls for more integration as a result of this experience; it had economic effects not imaginable before the crisis; last but not least, it brought to the surface the uneasy nature of Euro-American relations*”

**The Euro-Arab Dialogue**

Europe is for most Arab countries their most important export market and the most important source of their imports, development assistance and investment. However, efforts in the 1970s to develop group-level dialogue between Europe and the Arab world, in the field of political dialogue, failed.

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The Euro-Arab Dialogue was frustrated by “recurring political difficulties which prevented throughout the years the normal functioning of the formal mechanisms of the Dialogue. As a consequence, there has been no major achievement.”

It was originally a French initiative and was launched at the European Council meeting in Copenhagen in December 1973, shortly after the Yom Kippur War and the beginning of the oil crisis. Commenting on the timing, Prof. Oualalou argues that:

“Europe never really took the Arab facts into consideration before the 1970s... It is the constraints resulting from the two Arab-Israeli confrontations – that of 1967 and especially that of 1973-as well as the oil shock of 1973 (and later of 1979), which resulted in the EC becoming interested in the Arab area in a particular way.”

The first Euro-Arab meeting took place in Cairo in 1975. In a joint declaration, which was written into the Charter of the Euro-Arab Dialogue, the parties stated that the dialogue was the product of a joint political will that emerged at the highest level with a view to establishing a special relationship between the two groups. It was meant “to eliminate misunderstandings that gave rise to difficulties in the past, and the intention to establish the bases for future cooperation, embracing a wide area of activities, to the benefit of both sides.” In the field of economics in particular, the dialogue aimed at “establishing co-operation capable of creating the fundamental conditions for the development of the Arab world in its entity of lessening the technological gap separating the Arab and the European countries”. The importance of the economic character of the relationships was seen from the fact that six out of seven working groups which were set up in 1975 were related to economic and social questions, and one to cultural questions.

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97 Formally the Dialogue was established on 31 July, 1974.
99 Dosenrode & Stubkjaer (2002): 92
100 Ibid: 92.
During the following months, political difficulties arose which threatened the future of the Euro-Arab dialogue. For one thing, the United States opposed some aspects of the dialogue when it was first announced, fearing that European initiatives on energy and the Arab-Israeli conflict would interfere with its own diplomatic activities. Difficulties also arose because of European objections to the PLO’s participation in the dialogue on the Arab side. Finally, EC negotiation on a preferential trade agreement with Israel (concluded on 11 May 1975) placed a strain on EC-Arab relations. However, as months went by, U.S concerns had diminished, and the question of PLO representation had been resolved by the so-called Dublin formula of February 1975 whereby the Nine proposed that the dialogue avoid discussion of political issues and that delegations be homogeneous and regional. PLO delegates subsequently participated in the dialogue as members of a unified Arab League delegation.

The activities of a rather unproductive dialogue were suspended in 1979 upon request of the Arabs. The two main reasons for the League’s decision were the Camp David negotiations which had rendered the problem of Arab unity insurmountable, and Egypt’s absence from the Dialogue due to its suspension from all activities of the Arab League (following the signing of the peace agreement with Israel). The Dialogue was not resumed during the 1980s, a decade characterized by instability within the Arab World, e.g. the Iran-Irak war, the Israeli invasion of Lebanon and later the first Palestinian Intifada. All these political tensions in the Middle East as well as the pre-context of the Cold War in Europe contributed to the failure or underdevelopment of regional Arab alliances that should have entered into a dialogue with the EC; this made it necessary for Arab countries to proceed individually with relations based on bilaterality with individual west (and eastern) European countries. Following Egypt’s return to the Arab League and the fall of the East block, there was a further attempt in December 1989 (by France) to re-launch the Dialogue. However, the Gulf Crisis which erupted shortly after and the Arab split which followed have blocked the dialogue since then.

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102 Ibid: 40.
2.4 1980 to 1990- Venice/ Bilateral Interaction

It was the Venice Declaration of June 1980, issued one year after the signing of the peace treaty between Israel and Egypt, that marked the emergence of a „common European consensus” towards the Arab-Israeli conflict and which outlined a collective position on steps to be taken for its peaceful resolution.

Several factors made it clear for the EC that a European common strategy was needed: The Egypt-Israeli peace agreement had not resolved the Palestinian question, the Islamic revolution in Iran, the outbreak of the Iraq-Iran war (consequently, the world oil prices increased dramatically), and the Soviet invasion into Afghanistan. Collectively, the EC prepared an initiative in a form of declaration confirming the rights of the Palestinians to self-determination and recognition of the PLO as a legitimate representative for the Palestinian people.

Fearing a possible disruption of its own Middle Eastern diplomacy, the State Department appealed to the Europeans for a “restrained” statement of Palestine, while President Carter exerted considerable pressure, especially on the EC countries which had special links with the United States, demanding that the Europeans wait, and basically keep out of the peace process. Carter stated that:

> “the United States is monitoring very closely what is being done by others, notably the European Community, to make sure that they don’t do anything that would interfere with or subvert the progress of the Camp David procedure.”

This American parochial attitude at the time can be explained as follows: First, the United States regarded the Camp David process as the essential part of its Middle Eastern policy. Secondly, it believed that negotiations could produce a dynamic influence of their own that would open the way for a gradual solution of the major conflicting issues. Third, many among the American policy-makers at the time were convinced that the EC wanted to use the Middle East conflict as an

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103 Although the Camp David agreement previewed a solution of the Palestinian problem, it turned out that Egypt and Israel could not agree on it.

104 By the time the Venice Declaration was issued, many European countries had already granted the PLO some sort of official recognition as the representative of the Palestinians.


“experiment field” to test its foreign policy capability and as an attempt of to introduce an alternative power to that of the U.S.

The new EC statement known as the “Venice Declaration” became public after the meeting of the heads of state and government of the nine countries at Venice on 12 and 13 June, 1980. The gap between the Dutch, the Danes, and to some extent the Germans (all of whom had previously been more sympathetic to Israel) and the French and Irish, who had been more favourably disposed toward the Arab and Palestinian claims, seemed to have narrowed, with the European consensus moving more in the direction of the French position.¹⁰⁷

The Declaration began by repeating previous EC statements including the support for UNSCR 242 and 338, and the right for all states in the region to live in security. In the preamble to the Venice Declaration, the members of the EC stated that “the traditional ties and common interests which link Europe to the Middle East oblige us to play a special role in the pursuit of regional peace”. The Declaration asserted that it was imperative that a just solution be found to the Palestinian problem, that this issue was “not simply a refugee one”, and that the Palestinian people be allowed to “exercise fully its right to self-determination.” Significantly, the member states called for the inclusion of the PLO in any negotiations for a settlement. The Declaration stressed that Israel must end its territorial occupation and that the EC was”deeply convinced that Israeli settlements, which are illegal under international law, constitute a serious obstacle to the peace process. The Declaration was equally forthright concerning the future of Jerusalem; the nine stressed that “they will not accept any unilateral initiative designed to change the status of Jerusalem”.¹⁰⁸

Israel denounced the European declaration on the Middle East for, as it saw it,

“one-sidedness, for pre-judging the outcome of the negotiations, and for the way in which they simply reflect the position of the Arab states, making

¹⁰⁷ The policies of the Begin government over West Bank autonomy, settlements and the Jerusalem annexation may have affected the position of some European governments previously more favourable toward the Israeli position.
¹⁰⁸ The Venice Declaration. Text: www.europe.eu.int.
demands of Israel without expecting reciprocal compromise on the part of the Arabs”.  

Israeli politicians and diplomats serving in European capitals at the time claimed in this respect that pre-determining the outcome of negotiations before they even started (and without really considering the many sensible, sidelined issues, especially security concerns) contradicts the essence of negotiations and would have negative impact on the future negotiation´s dynamics. Moreover, many of the suggestions presented by the EC were for many Israelis unthinkable at the time.  

In a press statement, Israel’s PM Menachem Begin used the harshest possible language to express his resentment of the Declaration:

“The decision calls upon us and other nations involved in the peace process to bring in the Arabs’ so called PLO. For the peace that would be achieved with the participation of that organization of murderers, a number of European countries are prepared to give guarantees, even military ones. Anyone with memory must shudder, knowing the result of the guarantees given to Czechoslovakia in 1938 after the Sudetenland was torn from it, also in the name of self-determination.”

The former Israeli Foreign Minister, Abba Eban, criticized the European initiative as undercutting the Camp David peace process and rewarding intransigence:

“If Europe grants recognition to the PLO before any Palestinian organisation has accepted the axiom of Israel’s statehood”, he wrote, “it squanders one of the incentives which...might have induced moderate impulses in the Palestinian community.”

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110 The objectives of the Venice Declaration were, ironically, quite similar to those of Israel and the Palestinians in their efforts to reach an agreement in 2000, but it is obvious that the declaration was ill-timed and non-relevant in the political premises of the Middle East of the 1980s.
The Venice Declaration signalled a low point in Israel’s relations with the EC from which, some may argue, it has never fully recovered.  

Not surprisingly, the Arab states have derived satisfaction from the position adopted by the European States and regarded the European stance on issues such as the Palestinian right to self-determination and the illegality of Israeli settlement policy as an important element in attracting international support for the Palestinian cause. Moreover, they viewed the declaration as an important counterweight to the blanket support given to Israel by the United States. The road forward from “Venice” was at first expected to be one or two fact-finding missions to map out the political possibilities for a concrete European peace initiative. In his capacity as President of the European Community, Luxemburg’s Foreign Minister, Gaston Thorn, made a series of visits to Arab states and to Israel in August and September 1980. Thorn’s mission was virtually buried by two subsequent events: his second visit to Israel in late September, which was abruptly ended due to a disagreement with the Begin Government over conditions for his travels to the West Bank, and the outbreak of the Iraq-Iran war. The latter event left the Arabs themselves bitterly divided and diverted attention within the region, at least temporarily, from the Israeli-Palestinian conflict, while serving as a reminder that other significant sources of instability existed in the Middle East. Indeed, after some intensive political efforts, it seemed as if the EC engagement in the Middle East Peace process had “run out of steam”. Venice fulfilled neither European nor Arab hopes and seemed to disappear from the European political agenda. In 1981, Colin Legum explained the European Community’s failure as follows:

“While the EC’s declarations policy may have provided a certain degree of symbolic positioning vis-à-vis the ME conflict, Europe’s oil dependence, its lack of substantial military forces in the region, its fundamental security dependence upon the U.S, and the limits on its ability to shape events in the Middle East, whether in the Israeli-Palestinian conflict, the Iraqi-Iranian war or elsewhere, all constrain the Community’s impact and political credit as a major, independent actor. Quite apart from the EC’s own specific attributes, including problems of

113 To this day, it is still seen by many as reflecting European bias towards the Arabs, thereby effectively removing Europe as a potential prime mediator between the two sides.
agreement and lack of political secretariat to direct its cumbersome political cooperation machinery, the broader limits on the room for manoeuvre by individual European states means that these constraints are likely to prove enduring.’’

For the rest of the 1980s, the EC’s collective Middle East role was virtually non-existent, although Arab countries sometimes tried to mobilize support from individual EC members who were sympathetic to the Arab cause. Still, the long-term importance of the Venice Declaration is not to be underestimated; almost 25 years later, the Venice Declaration still constitutes the basic principles of European policy towards the peace process.

During the first two years of the 1980s, the Middle East was haunted by one crisis after the other, e.g., the beginning of the Iran-Iraq War in 1980, the disapproval of the Fahd Plan, the assassination of President Saddat of Egypt 1981 and Israel’s 6th June 1981 raid against Iraq’s Osiraq nuclear reactor which presented an obstacle to rapprochement between France and Israel early in Mitterand’s term.

Meanwhile, German-Israeli diplomatic relations had fallen plainly to a lowest ebb. In his own way, Chancellor Schmidt was as brusque and peremptory as Israel’s PM Begin. Witnessing the Israeli leader’s aggressive settlements policy and his evident indifference to treaty commitments on Palestinian autonomy, the German chancellor confided to his cabinet that Begin was “a danger to peace” and that “Israel is on a very dangerous path…. If Israel goes on with its present political course”, Schmidt continued, “it will be difficult to remain a friend”. Begin, a Holocaust survivor, reacted sharply: “Schmidt doesn’t care if Israel goes under. He saw this almost happen to our people in Europe not so long ago.”

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115 now consisting of 12 member states after the join-in of Greece in 1981 and Portugal and Spain in 1986.
116 A country consistently filling this requirement was Greece, which, except for relationships connected with matters of the Greek-Orthodox churches in Jerusalem, refused to have full diplomatic relations with Israel. Especially during the 80s, Greece under Papandreou’s government functioned in the EC as the European most dependable and uncompromising spokesman for the Palestinian cause.
Begin’s statement outraged virtually every echelon of the German people and Parliament. However, it also had the effect of focusing world attention on the impending German tank sale to the Saudis. In Germany, too, key figures within the Social Democratic party expressed reservations. Eventually, in April 1981, Schmidt felt obliged to inform Riyadh that the sale was not feasible “for the present.” Relations between Germany and Israel improved gradually only after Schmidt left office in 1982. When Helmut Kohl first assumed office in October 1982, he was intent on dissipating the mistrust generated in Israel during the predecessor Schmidt incumbency. To that end he visited the Jewish state a year later.

On 6th June 1982, Begin launched the so-called “operation Peace for the Galilee”, a full-scale military invasion of Southern Lebanon. The assault had been in preparation for months, and its intent was nothing less than the destruction of the PLO’s extensive infrastructure of guerrilla bases along Israel’s northern borders, and ultimately eradication of the PLO as a political force throughout the Palestinian West Bank. In ensuing weeks, however, with PLO guerrillas retreating to “safe” positions in the Moslem sector of West Beirut, the Israeli invasion evolved into congested siege, replete with thousands of air bombardments that devastated civilian and military enclaves alike, inflicting many hundreds of casualties. Not until August 12 did a cease-fire come into effect. Brokered by the United States, it permitted Yasser Arafat to move his guerrillas and his headquarters out of Beirut, and transfer them to other Arab lands.

The Israeli invasion into Southern Lebanon was sharply denounced by the European governments and media alike. Even in countries as traditionally pro-Israel as Norway and the Netherlands, journalists drew portentous analogies between the “genocide” of Beirut and the genocide of War saw in World War II. In Greece, some one hundred thousand demonstrators converged on the Israeli diplomatic mission, led by Papandreou’s wife. In Britain, Sir John Thomson, ambassador to the UN Security Council, harshly criticized Israel for “taking the law into its own hands in someone else’s territory.” It was then, too, that London re-imposed its 1973 arms embargo against Israel. Finally, at the European

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Council meeting, held in France on 9 June 1982, the European Community denounced the Israeli invasion as a flagrant violation of international law.

As the decade progressed, Britain moved away from a Euro-approach to the conflict and closer to the stance of the Reagan administration. Foreign Secretary Francis Pym´s October 1983 statement in Cairo that Britain viewed the so-called Reagan plan as so close to the Venice declaration that it had decided to lend its support to the former was indicative of this shift. It was also noteworthy that Britain, unlike other EC countries (France, Italy, Spain and Greece) but like the United States, has continued to refuse to meet with PLO representatives. In January 1983 Prime Minister Thatcher’s refusal to meet with an Arab League delegation that included a PLO representative led Saudi Arabia and several other Gulf states to cancel a planned tour by Pym.

On the EC level, nothing much has happened during those years. Like Britain, many other Western European countries - notably Belgium, the Netherlands and Denmark- have generally refrained from any active involvement in Middle East political issues, concentrating instead on pursuing their own economic interests in the region. This was reflected by the EC policy at the time: between the years 1982 and 1985 the Community issued routine platitudes and declarations in support of the legitimate Palestinians aspirations, even of the need for PLO involvement in Middle East peace negotiations, but nothing more; the words were not transformed into concrete initiatives.

It is noteworthy to remark that during those years, no government in Europe was harsher in its criticism of Israel than Prime Minister Olaf Palme´s in Sweden. During Palme´s tenure, between 1982 and 1986, Swedish antipathy to Israel had become so vocal that Moshe Yegar, Israel´s ambassador to Stockholm, persuaded Jerusalem to simply abandon its political dialogue with the Palme government. Afterward, Yegar confined his activities in the Swedish capital to the barest functional amenities. Another state which continuously criticized the Israeli right-
wing policy of Likud was Austria under the government of Jewish Chancellor Bruno Kreisky.  

In the spring of 1984, Shimon Peres, chairman of Israel’s Labor party, became Prime Minister of Israel’s rotating National Unity government. In December, he visited France, and praised its “important and constructive role in the search for peace”. In the aftermath of Peres Paris trip, the Israeli press noted the renewed warmth of French-Israeli ties, remarking that they represented “a return to normality rather than a revival of the love affair that characterized relations between France and Israel in the fifties and early sixties”. Trusted for his moderation, Peres was able to secure a moratorium on EC diplomatic pressure. Even afterwards, in January 1987, speaking this time as Foreign Minister in the Shamir (Likud) coalition, Peres addressed the EC’s Council of Cooperation in Brussels and won its forbearance on Middle Eastern issues.

In 1986, Philipe González led his country into the EC; that same year Spain established full diplomatic relations with Israel. This move was a result of efforts undertaken by the Peres government to establish Spanish contacts within the Socialist International, as well as González response to the EC Commission’s demand of Spain to anticipate a certain political reciprocity. (After all, if the Community was to play a credible role in encouraging moderation and forbearance in the Middle East, it would be useful for its members at least to normalize their relations with Arabs and Israelis alike). In doing so, the only EC state still not having diplomatic relations with Israel on ambassadorial level was Greece.

Also in 1986, Israel called back its ambassador to Austria “for consultations” after Kurt Waldheim’s victory in the Austrian elections. He did not return. Through

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121 Recommended literature: Bunzl, John (Prof): Between Vienna and Jerusalem- Reflections and polemics on Austria, Israel and Palestine, Vienna/Frankfurt: Austrian Institute of International Relations, Lang (ed) 1997.
123 Ismail(1986): 118.
124 After the Neo-Democrat Party won in the 1990 Greek elections, the elected PM Mitsoukatis requested approval for de jure recognition of Israel, and successfully pressed the issue through on May 21 as a vote of confidence.
125 By then Waldheim’s wartime presence as a Wehrmacht Lieutenant in the killing field of the Balkans had been revealed.
the ensuing six years of Waldheim’s presidency, Israel was represented in Vienna only by a Chargé d’affairs.

Months even before the eruption of the first Intifada, the European Community had begun to revive its criticism of Israel’s stance on the Palestinian occupied territories. Only three weeks after a rather mild declaration in February 1987, recommending an international peace conference for the Arab-Israeli impasse, the EC foreign ministers issued another statement: This one condemned as illegal Israel’s settlements in the territories. In July 1987 yet another EC declaration cited a committee report describing Israel’s violation of human rights in Gaza and the West Bank.  

On 8 December, 1987 the Palestinian uprising in Palestine erupted. Subsequently, in March 1988, the European Parliament made its gesture, withholding its ratification of the new trade protocol with Israel. Reacting to this move, Foreign Minister Peres, (although a vigorous opponent of Shamir’s settlements policy), expressed concern that the Parliament had not separated “an essentially technical and economic issue from its opinions regarding the situation in the territories.” He then directed the Israeli ambassadors in Europe to lobby the Parliament for a reversal. His campaign achieved its greatest success among the foreign minister’s extensive network of friends in Germany’s Social Democratic party (SPD), who then dutifully interceded with their colleagues in other European countries. Thus, in October 1988 the European Parliament ended its sanction by assenting to the protocol. Yet the Community had not made its final statement; in February 1990, complying with still another parliamentary recommendation, the EC Commission imposed a new series of restrictive measures. These blocked Israel’s access to some fifteen projects submitted by the EC-Israel Joint Scientific Committee, and postponed a cooperation agreement in the field of energy. None of the restrictions inflicted serious harm to Israel, and within a year most of them were reversed.

On 21 May, 1990, the Greek Parliament voted and approved a full-scale diplomatic relations with Israel. The Israeli “diplomatic mission” in Athens became an embassy. The Greek decision followed the victory of Mitsoukatis and

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its Greek Neo-Democratic party in the national elections. However, still deeply committed to the Palestinian cause, the Greek new policy was less than a gesture of friendship to Israel. At best it signified an exercise in diplomatic realism.

Meanwhile, in July 1990, Chancellor Kohl responded to overwhelming popular demand in both East and West Germany by accepting the daunting challenge of unification. The official response from Israel was cautious, for Germany was a major source of economic support for the Jewish state. In April 1991, PM Shamir issued a declaration regarding the German unification:

“The Jewish people have memories, doubts, and questions. It is therefore difficult to say that we are pleased by German unity. Nevertheless, we understand that the time for German unity has arrived”.

To sum up this decade of European involvement in the Middle East, it can be argued that the temptations of the early 1980s partly to substitute national approaches with a collective European position- or even common behaviour on the ground- gradually faded in view of changes which occurred in Europe, the United States and the Middle East region itself. The positions and diplomacy adopted by the EC throughout the 1980s did little to advance its ambitions of playing a significant role in bringing about a peaceful resolution to the Arab-Israeli conflict; rather, relations between the EC and the Middle East were characterized by extensive bilateral interaction, primarily of an economic and technical nature, between West European states and states in the Middle East. Basically, it was not until the end of the Cold War in 1989 that the Community came up with a more substantial proposal for improving its common foreign policy.

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2.5  **1990 to 1995- From Madrid to Barcelona**

It was the Gulf War that began to restore Israel’s humanistic image in Europe after the earlier debacles of Lebanon invasion and the Intifada. During the height of the January 1991 Scud crisis, German Foreign Minister Genscher informed the Israeli government that Germany would provide Israel with DM 250 million for reconstruction- a commitment that later would be raised to one billion DM. Germany was also willing to provide Israel with three submarines: two as gifts, the third half sponsored by the German government. Meanwhile, during the six months of allied military preparations, Western and German journalists alike carefully reappraised West Germany’s earlier contributions to Saddam Hussein’s war-making ability. It soon became evident that, between 1982 and 1989, West German manufacturers had provided Iraq with weapons and related technology worth $700 million.

After the end of the Gulf War, the (by then) politically stronger EC became increasingly aware of the urgent need to have a dialogue on crucial issues with its Arab neighbours in the south. A new framework for dialogue was then launched which turned out to become a broader political concept. However, just like in the 1970s, it failed to achieve its goals because of the following reasons:

1. From the beginning, both sides had fundamentally different perceptions of the nature and purpose of the dialogue.\(^{130}\)

2. Institutional weaknesses and a lack of consensus and political will, mainly within the EC but also in the Arab League, contributed to an inability to deliver results. The Arab side came then to the conclusion that the lack of positive change in the Euro-Arab relations was due to a lack of “*a sober annotated agenda of issues which had yet to be worked out at the highest decision making levels of both regions, but particularly in the countries of the EC*”.\(^{131}\)

3. The two parties have not been able to insulate their relationships from the negative influence of external events in international relations and political

\(^{130}\) Nonneman (1992): Chapter 1.

\(^{131}\) Kroissenbrunner (1996).
interference. Consequently, progress in practical areas of cooperation has been held up by disagreements on the political side of the dialogue.132

4. From the 1990s on, Europe has undergone major transformations, and was thus engaged primarily in issues such as its own political and economical integration. (i.e., the situation in the USSR, the emerging crisis in Yugoslavia)

After the Gulf War, the United States had confirmed its position as the sole remaining superpower. The Bush administration sought to use its influence and the diplomatic and international momentum that had produced the recent Gulf military victory. Its priority henceforth was to exploit Arab and Israeli gratitude by manoeuvring both sides into negotiations that would resolve their own historic impasse. Syria, Lebanon and Jordan agreed to participate.133 Israel’s PM Shamir decided then not to risk an open confrontation with Washington. The selected venue for the peace conference was Madrid. The role of the USA was to act as a neutral broker and facilitator.

The American efforts led to optimism within Europe that the European community would be invited to play a key role in the following phase of the Arab-Israeli peace process.134 These hopes proved short-lived. The United States took it upon itself to set up an institutional framework to deal with the Arab-Israeli conflict. Whilst Madrid played host (and gave its name) to the conference convened by the Americans on October 30th 1991, the EC was not offered to play a part in the bilateral negotiations that immediately followed.135 Instead, it was invited to participate only in the general multilateral talks which were set up by the Madrid Conference. In this domain, the EC received the position of a so-called gavel-holder (or chair) of REDWG- the Regional Economic Development Working Group. The purpose of REDWG was to support the establishment of intra-regional economic ties and the establishment of institutions, which would enhance the possibilities for economic cooperation, reflecting most fully the...

133 By supporting the war against Iraq, Syrian President Hafez al-Assad had managed to shift his policies from the Cold War dependence on the Soviet Union and advocacy of Arabism to a more pragmatic course which entailed a greater dependence on the US-without antagonizing the other Arab states. This change in relations, coupled with the impression that the US had moved closer to the Syrian position vis-à-vis the peace process, were some of the reasons why Syria attended the Madrid Conference of 1991. Dosenrode (2001): 114.
135 The EC followed the bilateral track as observer through a troika with a revolving membership.
broader goals of the multilateral track. The multilateral talks were designed to run in parallel with the bilateral negotiations. However, little interest or enthusiasm was displayed in European capitals for these talks, and it was not until the breakthrough between Israel and the PLO after the signing of the Oslo Accords in 1993 that Europe paid any real attention to the running of REDWG.

(Nonetheless, in the ensuing years, the progress at the bilateral level between Israel and the Palestinians gave a strong boost to the regional dimension of the peace process and to European engagement in the multilateral talks. The EU began to take the lead in promoting regional ventures and in encouraging the regional parties to develop ideas about the long-term nature of their economic relations. However, with the breakdown of the peace process during the Netanyahu government and following the Arab League’s decision to halt all cooperation with Israel, the activities of the multilateral talks ground to a virtual halt. REDWG had not met regularly since May 1997 and, like other multilateral working groups, its activities were quite dormant for the rest of the 1990s).\textsuperscript{136}

Although the Europeans partially succeeded with REDWG in the years that followed, the dominant feeling on the continent in 1991 still remained that while an already decaying Soviet Union was given a much-coveted “sponsor” status, and the Egyptians were represented by a fully fledged delegation, Europe had not been given a satisfactory share in the political process- neither in its concept, nor in the bilateral talks; instead it was being asked to eventually sustain a potentially substantial share of any cost needed at the end of the process to develop the area.

An opposition to the „leave it to the U.S.“ and the „payer instead of player“ syndromes had been illustrated in some European reactions, with some EC officials indicating clearly their determination to widen the EC’s role.\textsuperscript{137} At the same time, they feared that their back-seat role in Madrid was the indirect result of the American suspicion of EC aim to assume a greater political identity and to develop more concrete external relations.

\textsuperscript{136} Other multilateral bodies of the Middle East peace process (such as the Refugee Working Group, the Working Group on Water resources and the Working Group on the Environment) practically ceased to exist between 1995 and 1996.

\textsuperscript{137} Salamé in: Roberson (1998).
Within Israel itself, a major political transfiguration had occurred. In the June 1992 Knesset elections, the right-wing Likud government had suffered a decisive defeat. Yitzhak Rabin from the Labor Party became Israel’s new Prime Minister. Rabin sensed that the moment was ripe for a breakthrough in the Palestinian track. After a green light from the PLO a neutral venue was to be decided upon; Norway proved the likeliest place. From January 1993 and over the ensuing months, there would be fourteen meetings in Oslo. By August 1993 the basic outline of a “Declaration of Principles” emerged, and was signed at the White House.

The 1993 agreement between Israel and the PLO produced mixed reactions. The accord proved correct the EU’s basic assumption that no progress could be made without prior mutual recognition by the two warring sides. It was gratified that the Norwegians were able to succeed where the Americans had shown impotence in pushing the negotiations forward. The EU, despite a certain smugness that U.S guidance of the peace process had proved insufficient, also observed that the U.S government was in a position to adjust to this breakthrough and to translate it into a political bonus for itself. Not content with becoming merely the largest financial contributors to the peace process, the EU would try to seek for itself this bonus in the following years.

The Israeli-PLO Oslo agreement vastly accelerated European states investment and tourism in Israel and paved the way for the 1995 Association Agreement between the EU and Israel. Well before then Germany had become Israel’s second most important commercial partner, after the United States. Yet, by the same token, Israel’s trade deficit with Germany was also climbing, at an annual rate of $600 million.

Largely through the persistence of U.S. Secretary of State Warren Christopher, Israel and the Kingdom of Jordan signed a formal peace treaty on October 26, 1995. Since some comfortable conditions for Israel in international relations were created: the collapse of the Soviet Union (and the unavailability of further Russian political and military support to Syria), the U.S. becoming the sole world superpower, the impact of the recent Gulf War on Arafat and the PLO after supporting Saddam Hussein, and Arafat’s willingness due to fear of irretrievable Jewish grip on the West Bank, that may be the result of the beginning of avalanche of Soviet immigration into Israel.
1994. The EU expressed its support for the treaty, but was not involved in its creation.  

In 1995, the EU became a union of 15 States after Sweden, Finland and Austria joined in.

Early in 1995, most Arab governments agreed to terminate their boycott against Israel. Some of them would not enter into intensive commercial relations, let alone peace relations, with the Jewish state, but neither would they continue to impose punitive sanctions on foreign companies that did. This provided new opportunities for European companies to invest in Israel and in the neighbouring Arab states. More than any other nation in Europe, it was Germany which gave its official encouragement to new German-Israeli projects. Also, some 200,000 private German tourists were travelling to Israel by 1996, more than any other nation outside Europe, expect for the United States (with 125,000 Israelis visiting Germany yearly).

Following the new era of peace negotiations and cooperation in the Middle East, the Rabin government felt sufficiently assured of international goodwill to reassess its attitude toward the European Union. With the “golden era” of relations between the EU and Israel arriving at its peak, Rabin and Peres took the initiative in encouraging the EU to play a wider constructive role in the Middle Eastern affairs; the Europeans were thus urged to continue taking an active and constructive part in the various multilateral committees that had been organized under the Madrid guidelines for developing Middle Eastern prosperity with their support. Following Oslo I and Oslo II Agreements, both Rabin and Arafat requested Europe´s economic help for the emergent Palestinian Authority.

Beyond the peace process, Israel and the Arab states manifestly had their own national agenda to resolve with the EU: The Maastricht Treaty of 1992 ensured

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139 Although it can be argued that the EU was “indirectly” involved on the operational level, and in fact had been so well before the 1994 Israel-Jordan accord; as far back as the Gulf War, the predecessor European Community supplied tens of millions of dollars to help the Hashemite government cope with the influx of Palestinian refugees from Iraq. In 1993, too, the Jordanians were extended virtually the identical free-trade access to the EU that Israel had achieved earlier. Compare: Dosenrode/Stubjaer (2001): 123.
140 Information: Israeli Tourism Bureau, Jerusalem.
that in time the EU members would be linked together in common monetary, fiscal, and social policies, even in a single currency. From a Middle Eastern perspective the European treaty led to concerns over a “Fortress Europe”. The fear of not being able to compete with a behemoth of these dimensions led to calls for a revision of the bilateral agreements which were already signed with some MENA states.

For its part, the European Union responded forthrightly to the concerns of both Israel and of its Mediterranean “poor cousins”. In the process of negotiations both within the EU and between Europe and the MENA countries, new ideas and concepts were gradually incorporated into the discourse that resulted in the 1995 Euro-Mediterranean Partnership agreement - a landmark of the European involvement in the Middle East peace process. Under its terms Israel, the Arab participating countries and “other Mediterranean states” (Cyprus, Malta and Turkey), would share in a series of new relationships with the EU, well beyond simple commerce: these included the right to share equally in the European Union’s opportunities for scientific, technological, cultural and audiovisual cooperation.

In November 1995, Israel’s PM Rabin was assassinated by a Jewish extremist, during a “Rally for Peace” in Tel-Aviv. The death of Rabin was undoubtedly one of the most tragic and remarkable events in the history of the state of Israel. Shimon Peres, Foreign Minister at the Rabin government, acceded to the prime ministry of Israel.

2.6 1996 to 2000 - French Initiatives

In May 1995, Chirac acceded to the presidency of France. A veteran Gaullist and a perennial mayor of Paris, Chirac served as Prime Minister during the presidencies of both Giscard d’Estaing and Mitterrand. Now, as chief of state, he was too experienced a politician to project French grandeur frontally and flagrantly in the world arena. His technique for promoting French Foreign Policy was oblique. As Howard Sachar comments:
“In dealing with other West European leaders, he emphasized his commitment to the European Union. In visits to Washington, he stressed his loyalty to NATO. Touring Asia, he invoked a “Euro-Asian partnership”. Chirac plainly intended to function through, rather than outside, Europe. In this fashion, with the weight of the Continent behind it, France, a middle-sized power, once again could play a global role”\(^{141}\)

Indeed, Chirac reiterated on numerous occasions his belief that a common European foreign policy would strengthen France, and that a “Franco-European foreign policy in the Middle East” was indispensable.\(^{142}\)

On April 4, 1996 Chirac travelled to Egypt and Lebanon for the first of two ambitious trips to the Middle East. During a meeting with President Mubarak he stated that “Egypt and France must have a leadership role: Egypt for the whole of the South and France for the whole of Europe”.\(^{143}\) Invoking the tradition of one of his predecessors, President de Gaulle (1958-69) and his famous “politique arabe”, Chirac also stressed that “France’s Arab policy must be an essential element of its foreign policy”.\(^{144}\) The Israeli government, in contrast, openly voiced its hostility towards a possible French intervention in the MEPP. Israeli PM Peres warned of “total confusion” that can be created by “multiple mediations” and stressed that the only channel for political negotiations was through the United States.\(^{145}\)

On 11 April, three days after Chirac’s arrival back in Paris, Israel launched a military operation in Lebanon known as “Grapes of Wrath”. The operation came as a response to Hezbollah’s continuing attacks on Israeli villages and aimed at wearing down its operational capabilities, while putting increasing pressure on the governments of Lebanon, Syria and Iran. Shortly after the beginning of the operation, the Lebanese government officially asked for French diplomatic

\(^{142}\) Le Monde, 5. April, 1996: 15. In French the phrase is: “...une véritable politique Franco-européene au proch-orient”.
The French government reacted quickly by sending French Foreign Minister de Charet’s to a shuttle diplomacy between Jerusalem, Beirut and Damascus. Appreciated by Syria, Lebanon and Iran as a qualified and fair mediator, and accepted by Hezbollah, the final agreement was reached with the help of the French mediation. This allowed the French government to claim that despite U.S and Israeli reservations and against a backdrop of EU inactivity, its intervention had been critical in ending the crisis and that under certain circumstances, its Middle Eastern foreign policy could successfully vie with that of the United States. These claims appeared at least partly credible. Certainly, the Chirac government gained points in the Arab world. It was also clear that despite support for joint foreign and security policy, the French government was willing to by-pass the European Union and act unilaterally when national diplomacy promised better results. As Chirac stated shortly after the end of the crisis: “The tenacity of our diplomacy permitted France again to find its place in the affairs of the Middle East”

Chirac’s Middle East trip and the French share of the brokered agreement were not translated, however, into a more influential role in the larger peace process. It convinced neither the United States nor Israel to include France in the peace negotiations. Moreover, Israeli resistance to French active involvement in the MEPP hardened with the electoral victory of Benjamin Netanyahu as Prime Minister of Israel in May 1996.

It was against the background of the 1996 suicide bombings that Likud and other right-wing fractions within the Israeli Parliament denounced PM Peres for his declared willingness to countenance a future Palestinian state in the West Bank.

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146 Lebanon still considers France to be a country which has a special responsibility for its historic role as Lebanon’s protector.
147 The major stumbling block was the American-Israeli condition that the militant Islamist Lebanese Hezbollah group lays down its arms and agrees not to attack the Israeli army in the security zone in southern Lebanon. This was unacceptable to both Syria and Lebanon. The French, on the other hand, supported terms whereby both Hezbollah and Israel would agree to avoid targeting civilians, while Hezbollah would retain its prerogative to resist the Israeli occupation in South Lebanon. The final terms were based upon the French position. It was similar to the 1993 “arrangement” in Southern Lebanon, brokered by the United States.
148 Although neither the United States nor Israel approved France’s high-profile diplomacy, U.S secretary of state Christopher admitted that France had better contacts than the United States with Syria and Iran.
149 Le Monde. 2 May, 1996.
and Gaza. Facing further bloody suicide bombings and other terror attacks in the heart of Israel, the people of Israel denied Labor a renewed incumbency: In the Israeli elections on May 30, 1996, Binyamin Netanyahu, Likud’s candidate for prime ministry, achieved his victory by a margin of less than 1 percent. Once in power, the new Likud-led government immediately demonstrated its disapproval of the direction the peace process had taken under the previous government and indicated that the principle “Peace with Security” is no less important than “Land for Peace”. Netanyahu demanded thus from Arafat security guarantees as a condition to advance the peace process. He also clearly signalled his adamant opposition to any European role in the process other than financial. Israel’s FM David Levy also referred to Europe’s attempt to seek a mediator role by stating that “Europe already plays an important role in the negotiations; in the economics of peace. We will reject all interferences in the (political) negotiations. A new mediator is inconceivable…”\footnote{Ibid, 22. Oct. 1996: 22.}
The Israeli view was strengthened by the U.S position that Europe’s contribution to the peace process should indeed remain strictly financial because its diplomatic “meddling” could become counterproductive.

While American and Israeli opposition curtailed France’s role, some EU members also expressed their disapproval of France’s attempt of active diplomacy on their behalf, \footnote{Wood (1998).} and thus undermined France’s ability to put forward a common European position. In particular, Germany and Great Britain were reluctant to antagonize the United States or Israel or to allow France to speak for them. Perhaps this was the European motive, in October 1996, to appoint Spanish diplomat Miguel Angel Moratinos as “EU Special Envoy (Representative)” to the Middle East with a mandate to act on behalf of the entire EU and to offer Europe’s “advice and good offices”.

Shortly after Israel’s February 1997 announcement of the decision to build at Har Homa in East Jerusalem, an EU delegation in Jerusalem submitted a formal protest to Israel. Early in March, four European members of the Security Council—France, Britain, Portugal and Sweden – reportedly proposed to condemn Israel for the decision, terming it “illegal” and “an obstacle to peace”, and calling on Israel to avoid changing the status quo at Har Homa. The council resolution’s final text
skipped the condemnation of Israel but retained the appeal to avoid any step regarding the final status of the area. Moratinos, for his part, shuttled between Gaza and Israel, trying unsuccessfully to forward the proposed EU “10- Points Plan” aimed at building confidence between the two sides. Later in the year, with the tension over the Har Homa issue not yet defused, Moratinos described the political situation as comprising the “most difficult moments of the peace process”. The Har Homa issue, in his view, went to the very heart of the question of Jerusalem, which was not simply a bilateral Israeli-Palestinian problem but rather had international connotations that the international community had a right to comment upon. Moratinos urged Israel to adopt a clear position regarding the entire settlement issue in order to generate a dynamic of dialogue.

By the mid-1997 deadlock, the EU had to come to terms with the fact that only the United States could bring the Israelis and the Palestinians back to the negotiating table. As a result, the French government downplayed its reputation of going it alone and emphasized its leadership role in the European Union, eventually in an effort to use European support to gain leverage and influence in the peace process.

Meanwhile, in order to soften the tones between France and the United States, FM Hubert Véderine remarked in August 1997, that France was only “one of seven or eight influential world powers and must accept the superpower status of the United States, without acrimony, while still defending its own interests.” In later remarks, Véderine stated that “there is a very relaxed atmosphere now compared with earlier times. When we, France and U.S., agree, it is for the best. When we do not agree, it is not a crisis. Sooner or later we always resolve our problems.”

From its part, the French government emphasized that it “recognizes the important political role of the United States in the Middle East and regularly

152 Le Monde, 7 March 1997.
insists that its own efforts complement rather than compete with American leadership.”

Moratino’s presence as “observer” and alongside the American delegation at the Netanyahu-Arafat summit to sign the Agreement on Hebron on 15 January 1998 indicated EU’s achievement, through its envoy, in integrating itself as a “complementary” player in the peace process. The U.S. - brokered agreement, which outlined the steps for Israeli redeployment from Hebron and other parts of the West Bank, was welcomed by the EU and by European diplomats. A statement issued by the French Foreign Minister on 15 January expressed hopes for rapid implementation and credited the diplomatic contribution of the US and the personal contributions of the Egyptian President and the late King of Jordan.

Nine months later, in the fall of 1998, Israel and the Palestinians reached another agreement known as “The Wye Memorandum” which was signed By Netanyahu and Arafat in Washington DC on 23 October 1998. The central issues of the Memorandum were the percentage of land from which Israel should withdraw, security, the safe passage between Gaza and the West Bank and the opening of the Gaza Airport. Israel also demanded that the clauses in the Palestinian National Charter that called for the destruction of the state of Israel were abrogated. The EU had not been invited to join the Wye negotiations, although special envoy Moratinos was in the USA and was being constantly updated.

Following the signing of the Wye Accords, the EU pledged a further ECU 400 million assistance to the Palestinians, to be distributed over the next five years.

On 24 November 1998, the Gaza Airport, mainly financed by EU donations, was opened.

In December 1998 the peace process reached yet another deadlock as Israel suspended the implementation of the Wye agreement. The latter called upon the PA to end incitement to violence and rejected the release of Palestinian prisoners „with blood on their hands“. The main reason for the deadlock, however, was Israel´s reaction to Arafat’s decision to proclaim a Palestinian state on 4 May

1999 at the end of the interim period (that is, five years after the Oslo Agreement) if no progress had been made.\textsuperscript{156}

At the Berlin Council of Ministers Summit in March 1999, designing to compensate the PA in return of delaying a unilateral declaration of independency, the EU signalled its preparedness to support and recognize a future Palestinian state (created ideally based on negotiations, but otherwise unilaterally declared).\textsuperscript{157} Chapter IV of The Berlin Declaration’s text stated accordingly that:

“\textit{The European Union reaffirms the continuing and unqualified Palestinian right to self-determination, including the option of a state, and looks forwards to the early fulfilment of this right...}”

“\textit{The European Union declares its readiness to consider the recognition of a Palestinian State in due course}”

“\textit{The European Union is convinced that the creation of a democratic viable and peaceful sovereign Palestinian state on the basis of existing agreements and through negotiations would be the best guarantee of Israel’s security and Israel’s acceptance as an equal partner in the region}”.\textsuperscript{158}

With similar assurances from the U.S., Arafat agreed to postpone the declaration.

Not surprisingly, Israel dismissed the Berlin Declaration. Its diplomats argued that it was an “\textit{irresponsible political act, because it dictates and pre-determines the future outcome of the peace negotiations with the Palestinians}.”

Benjamin Netanyahu’s response to the Declaration was unambiguous: “\textit{It is a shame that Europe, where a third of the Jewish people was killed, should take a stand which puts Israel at risk...}”\textsuperscript{159} The Berlin Declaration clearly provided an obstacle to enhancing EU-Israeli relations. Ironically enough, only days before the declaration was published, the EU and Israel signed an agreement allowing Israel

\textsuperscript{156}Arafat’s threats must be seen as a primarily tactical response to the situation, since it was widely believed that a Palestinian state at that time would be unfeasible. Dosenrode, op.cit: 139.


\textsuperscript{158}The Berlin Declaration, www.europa.eu.int/comm/external-relations/mepp/decl.

\textsuperscript{159}Jerusalem Post, 26 March, 1999.
to become the only non-European country fully associated with the EU framework programme on Research and Technological Development.\textsuperscript{160} 

In Israel, the suspension of the Wye Memorandum by the Netanyahu government led to a vote of no confidence, which resulted in general and prime ministerial elections on 17 May 1999. The new Labour government led by Ehud Barak was elected on an agenda which promised the resumption of the peace process, and a withdrawal from Lebanon on the basis of UNSCR 425.

2.7 2000 to 2001- EU and the Intifada

Through American mediation, Israel became involved in negotiations with Syria. A summit of Prime Minister Ehud Barak and Syrian Foreign Minister Farouk al-Shara in the United States between from 3-11, 2000 ended in a deadlock. To the surprise of some, by June 2000, Israel had withdrawn completely from Lebanon. Within the same month, the Association Agreement between the EU and Israel, signed in 1995, entered into force after its ratification by the Belgian Parliament.\textsuperscript{161}

In July 2000, President Clinton convened a summit at Camp David which was attended by PM Barak and PA President Arafat. The negotiations raised the prospect of a peaceful resolution of the most sensitive aspects of their controversy, after almost nine years of difficult but promising exchanges following the Madrid Conference from November 1991. For the first time, core issues, such as Jerusalem, refugees and Palestinian statehood were actually discussed in an official setting. In spite of two weeks of talks, the summit ended without any deal, which was what had been hoped for.

Two months after the failure of the Camp David negotiations, Ariel Sharon (then member of the Knesset and Likud candidate for prime ministry) announced that he was planning to visit the Temple Mountain in Jerusalem, a place sacred to Muslims, Jews and Christians alike. The visit on 28 September 2000 was

\textsuperscript{160} The agreement was signed in March 8, 1999.  
\textsuperscript{161} French and Belgian Parliament were the last to ratify the EU-Israel Association Agreement.
considered as a provocation by the Palestinians, and was answered with the second Intifada.

Since then, there has been a complete deadlock in the peace process. EU’s Special Representative Moratinos was present as observer in the October 2000 and the January 2001 Israeli-Palestinian talks in Egypt aimed at ending the cycle of violence. Both round of talks failed. The European Union and its member states, but also the European public, viewed this negative development with great concern, because the breakdown of the peace process symbolised the end of a decade of optimism in the Middle East.

Similar to the 1986 case, it was against the background of further suicide bombings and other bloody terror attacks in the heart of Israel, this time in a new massive dimension, that the people of Israel denied Labor and PM Barak a renewed incumbency. Likud candidate Ariel Sharon won the January 2001 elections and became Israel’s Prime Minister. Since then, the EU has not come up with any noteworthy political initiative, apart from routine declarations and statements. The only remarkable initiative was this of Germany’s Foreign Minister Fischer in spring 2001 that ended with a deadlock.

At least two consequences have been clearly perceptible in American and European policies on the Israeli-Palestinian conflict since the terror attacks on the World trade Centre in 2001. Whereas President Bush was not very involved in the conflict at the beginning of his presidency; after 11 September the Middle East quickly became (again) a priority to America. In Europe and within the EU institutions, the phenomenon of terrorism greatly complicated the expression of policies: separating condemnation of terrorism and support for the Palestinian Authority became a more subtle business, and condemning Israel’s repressive methods also became increasingly difficult. The European Union has never denied the principle of the Palestinian’s right to an independent, secure state, any more than it has compromised over the condemnation of terrorism and Israel’s right to ensure its own security. However, since 11 September the EU has often been criticised, in very simplistic ways, by certain elements in Israel, the United States
and sometimes even within its own institutions as “accomplices” of Palestinian terrorism.

This chapter followed the developments of relations between the EC (later the EU) and the Middle East in the context of evolution over time. Relying on the findings, one may point out to a continuous and consistent line of European failure throughout the years to project a decisive common policy on the MEPP issue. The quest for a common European policy has already begun in 1971 with the Davignon Report, which created the “European Political Cooperation” (EPC). Despite the newly established framework, there has been no substantive evidence of a common policy on the conflict in the 1970s and 1980s, apart of vague and general declarations roughly consistent with documents previously issued by the U.N, or alternatively, reactions to initiatives of other political actors. What most striking is the fact that the 1993 established CFSP failed to change the situation. Moreover, since the Treat´y entry into force there has been a clear indication of a growing lack of interest towards the conflict by the majority of EU Member States – a phenomenon which can be explained by the fact that CFSP provisions allowed small EU members\textsuperscript{162} to use the latter to exempt themselves from the task of conducting their own policy over a matter which was of less concern for them. (Compare:”Shield Effect”, Chapter1.6).

The EU search for a role in the Middle East conflict continues to this day, despite the many difficulties under which it is bound to operate.

\textsuperscript{162} i.e. with a very limited foreign policy activity
3. EU Bilateral Relations with the Mideast

The next chapter refers to present relations between the EU and Israel and between the former and the Arab states which are directly involved in the Arab-Israeli conflict. The chapter does not insight relations between individual European and Middle Eastern states, which is a case apart.

3.1 EU-Israel

In 1971, Shimon Peres argued in his book “David’s Sling” that Israel was culturally, economically, even geographically closer to Turkey, Greece, Italy, and France than to Yemen, Saudi-Arabia, or the other Gulf States. Similarly, the renowned Czech writer Milan Kundera expressed in 1988 the view that Israel struck him as “the true heart of Europe— a strange heart, located outside the body.” Indeed, by geography and demography, Israel is an uneasy amalgam of west and east; a combination of Europe and the Middle East. Its identity dilemma is connected to the fact that most of the Israelis (about 65%) originate from central and Eastern Europe. After the arrival of more than a million Soviet citizens to Israel in the past 13 years, this dilemma has become a core issue.

Setting apart the political controversies with the EU, Israel’s present bilateral relations with most of the Unions’ member states are good, among others, because of Israel’s relatively strong economical and scientific performance. Israel’s per capita GDP (16.600 in 2004), places it among the 25 most affluent economies world-wide and emphasises its economical superiority to its immediate neighbours. The EU is Israel’s largest regional trading partner (larger than North America) and represents its most promising economic frontier. On the scientific level, Israel was the first country in the Middle East to conclude an Association agreement of the new generation with the EU, and is the first non-European country to be fully associated to the European Community’s Framework Programme of Research and Technical Development (RTD). Israel is also the

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163 Peres (1971): 18
only non-European country that takes part in European cultural and sport events such as the Eurovision Song Contest and the UEFA games.

EU policy on sanctions:

In the first few months of 2002, the European Commission has received several thousands of letters and petitions concerning the Middle East conflict and the continuing cycle of violence between Israelis and Palestinians. These were sent by private individuals, NGOs (such as Enfants du Monde, Droit de l’Homme, ACAT, Islamic Human Rights Commission, Femmes en Noir, Amnesty International) and others. The Commission decided to publish its replies to the most frequently asked questions, one of them regarding sanctions on Israel. The Commission replied that

“The EU’s policy is based on partnership and cooperation, and not exclusion. It is the EU’s view that maintaining relations with Israel is an important contribution to the MEPP and that suspending the Association Agreement, which is the basis for EU-Israeli trade relations but also the basis for the EU-Israel political dialogue, would not make the Israeli authorities more responsive to EU concerns at this time. It is also well-known fact that economic sanctions achieve rather little in this respect. Keeping the lines of communication open and trying to convince our interlocutors is hopefully the better way forward.”\(^{165}\)

3.2 EU- Jordan

King Abdullah and his government have been successful in consolidating relations with the West as well as in repairing relations with the Arab world, particularly in the Gulf, where they were damaged by Jordan’s stance in the 1991 Gulf War, and by the signing of a peace treaty with Israel in 1994. Relations with Syria have also improved. These positive developments have been undermined by

major political risks, particularly those associated with the peace process, which is of a great strategic significance for Jordan.

While not perfect, the democratisation process in Jordan is regarded by the EU as one of the more advanced in the region: moreover, with the elections held on June 17, 2003 Jordan reaffirmed its commitment to pursuing the process of democratisation and reform that the kingdom has undertaken during the last decade. Yet, there are still problems with levels of participation in political life, women’s representation in the Jordanian Parliament and the lack of continuity in governments.

3.3 EU-Egypt

In foreign relations, Egypt has re-established its key regional role as an important player in the Middle East Peace Process. It has made a conscious decision to improve its relations with Africa, and to balance its relations with the USA via better relations with Europe.

The radical liberalisation of the economy in the past few years is not yet mirrored by an equivalent political reform, although there has been significant progress in some aspects of social legislation.

There is a multi-party system in Egypt but in practice the ruling National Democratic Party dominates political activity. There is an active “civil society” but the current NGO law is considered restrictive, especially for organisations working in civil and human rights.

In its bilateral relations with Egypt and its economical support thorough the MEDA, the EU’s goals are to encourage the continuation of political reform, assist Egypt in its war against Islamic radicals and terrorism inside the country, encourage parliamentary reforms, support stability, sustainable socio-economic development, extensive economic liberalisation and privatisation.

Egypt’s Country Strategy Paper 2002-2006 was adopted by the EU Commission in December 2001.\textsuperscript{166}

\textsuperscript{166} For full text go to: www.europa.eu.int/comm/external_relations/Egypt
3.4 EU-Syria

In June 2000, President Hafez al-Assad died and was succeeded by his son, Dr. Bascher al-Assad. Dr. Bashar has since consolidated his position while at the same time cautiously pursuing an agenda for economic reform, which includes closer ties with Europe. The background to this shift in orientation towards Europe lies in the progressive deterioration of Syria’s strategic situation in the region, which stems, in particular, from the demise of the Soviet Union in the early 1990s. The development has continued in military terms, with the defence cooperation between Turkey and Israel. Meanwhile, Bashar al-Assad has improved Syria’s political and economic relations with most of its neighbours, including Turkey, and has maintained good relations with the Gulf States and Iran. He has maintained Syria’s presence in Lebanon which is a matter of concern to the EU. In the conflict with Israel, President al-Assad linked any peace deal with Israel to a resolution of the Israeli-Palestinian conflict, and to a return of the occupied Golan to Syria according to international law.

Syria was a member of the UN Security Council for the period 2002-2003, and has played a role in representing the Arab countries. It strongly opposed the invasion of Iraq, and as Baghdad fell, was accused by the Americans of harbouring leaders of the Iraqi regime as well as Iraqi weapons of mass destruction.

The human rights situation in Syria has not developed as positively as was hoped by the EU when Bashar al-Assad took over in 2000. The Union has on several occasions in the past few years voiced its concern to the Syrian Government on politically motivated arrests and trials of prominent members of civil society for exercising their right to freedom of speech. In the first six months of his Presidency, a number of civil society organisations began to hold meetings to discuss Syria’s political future, but the authorities put an end to these activities in early 2001. The EU has protested against the arrests and convictions of a number of leading opposition figures that followed; in a declaration released on 8 August 2002, the Union called the Syrian government to urgently proceed with the reform efforts as initially envisaged. However, it refrained from threatening Syria with “consequences”, as demanded by the Brussels director of Human Rights Watch. In the same context, the EU welcomed the fact that its diplomatic representatives
were allowed to observe the civil court trial against two members of Parliament, but regretted having been prevented from attending other trials taking place in the State Security Court. Finally, the EU was also concerned about the continued worsening of working conditions of the regional and international media in Syria.

In its bilateral relations with Syria and its economical support through MEDA, the EU’s goals are to bring Syria out of its relative isolation through strengthening links with the EU, encouraging democracy and institution-building, human rights and civil society, encouraging Syria to open up its centrally planned economy to market-oriented reforms without upsetting the social stability, encouraging institution-building, industrial modernisation and creating a legislative and regulatory environment more favourable to investments. These goals are set out in the Country Strategy Paper 2002-2006 adopted by the Commission in December 2001.  

3.5 EU-Lebanon

The EU is concerned about Lebanon’s international outlook coloured by the tense relationships with Israel and the absence of peace in the Middle East. The Shia Muslim militant group Hezbollah is engaged in a simmering conflict with Israel along the southern border area, concentrated mainly at the disputed Israeli-occupied Sheba farms which cover several hundred hectares of the Golan foothills. Both Lebanon and Syria acknowledge this area to be Lebanese. Beirut officially supports Hezbollah’s “resistance” against Israel.

A list of terror organisations issued by the EU in December 2001 as part of measures taken by the Council in combating terrorism, supplementing restrictive measures against individuals and organisations set out in UNSC Resolution 1373, included several individuals of Lebanese origin, yet the EU has decided not to make reference to Hezbollah.  

An already fragile situation in South Lebanon became exposed to a new dispute with Israel, over water. The inauguration of the Wazzani springs pump station on the Hasbani river a few kilometres from the frontier in October 2002 provoked

167 For full text go to: www.europa.int/comm/external_relations/Syria.
168 The Lebanese Government has proclaimed its readiness to work with the EU and UN in fighting terrorism, though underlines the legitimacy of resistance to foreign occupation.
strong Israeli objections, and led to the intervention of U.S, EU and UN in seeking mediation.

Another issue of concern to the EU is the Syrian influence on the domestic political agenda in Lebanon. Although the Union prefers not to openly criticize Lebanon for the actual Syrian domination in Lebanon, there is a dispute between the two parties regarding the issue of human rights: although Lebanon has joined several international agreements on human and civil rights, the arresting of opponents to the Syrian army in Lebanon has taken place (i.e. August 2001).

Another concern to the EU is the passing of death sentences and lengthy prison sentences for journalists.

A priority issue in Lebanon is the two to three hundred thousand Palestinian refugees who are considered by the Lebanese to be destabilising in their delicate demographic balance. About half of the Palestinian refugees are housed in twelve refugee camps. UNWRA, largely funded by the EU, runs schools, medical care and shelter rehabilitation in the camps.

In its bilateral relations with Lebanon and its economical support through MEDA, the EU has set out the promotion of Lebanese social development, the improvement of human rights and the economic reform process as some of its priorities.

3.6 EU-PA

The overall context of economical and political relations between the EU and the PA is provided by the Association Agreement which was signed on 24 February 1997 (despite the inexistence of a Palestinian state) and came into force on 1 July 1997. Its symbolism, institutionalising EU-Palestinian relations, has been commented on as being more important than its limited economic impact.

The primary aim of the agreement is to establish the conditions for increased liberalisation of trade and to provide an appropriate framework for a comprehensive dialogue between the Union and the PA.

The bilateral agreement, part of the Euro-Med Partnership, offered the Palestinians a number of trade concessions and the eventual establishment of a free trade zone between the EU and Palestine by the summer of 2002.
A programme of financial assistance was attached to this agreement (ECU 3.6 for a period of five years under the condition that the PA respects human rights). The agreement also provided for a wide range of financial measures to support the development of Palestinian industries.

Since the outbreak of the “Al-Aqsa Intifada” and the imposition of closure and curfews within the West Bank and Gaza Strip, implementation of various aspects of the Association Agreement has been extremely difficult.

Following the publication of the *Road Map*, and the appointment of a new Palestinian Government with the post of Prime Minister, a joint Committee meeting of the Association Agreement was held in Ramallah on 26 June 2003. This meeting was the first in over three years.

More information about the EU assistance to the PA is available in part four of the dissertation.
4. The Problematic Nature of the EU Mideast Policy-Making

Chapter one dealt, at the theoretical level, with the complicated process of European foreign policy making. It pointed out the fact that although CFSP contains some supranationalistic elements, its mechanism is foremost intergovernmental oriented. The following chapter presents both the internal and external obstacles which prevent the EU from carrying out an optimal policy in the Middle East and, particularly, in the peace process. The lion share of these obstacles is a direct result of the CFSP intergovernmental-oriented mechanism.

4.1 CFSP

Ferdinand Kinsky commented in 1990 that European integration remained limited to the economic domain, despite the efforts of political cooperation. On reflection of the past 12 years of European intervention in the Middle East conflict, this view still rings true. The EU today constitutes the world’s largest economic group in terms of number and wealth, but is still far from being a political Superpower. Although it has been trying in recent years to assert itself on the Middle Eastern stage, these attempts to forge a credible common foreign policy have been fraught by obstacles.

4.1.1 Priorities

A fundamental obstacle of the European foreign policy is the fact that the Union is still “under Construction”; its preoccupation remains largely on its internal developments, its own social, economic and political problems. Europe itself contains an environment of increased social strains induced in part by the end of

\[169\] Kinsky (1990) Interview.
the Cold War and by the adjustments required by global and economic transformations. It is a Europe still in the process of defining itself as an autonomous unit, involved in strengthening and creating institutions to facilitate the convergence of interests among its member-states.\(^{170}\) Thus, there is still no priority given to external affairs such as the Israeli-Palestinian conflict, or to any other events in international relations that are not issues of direct threat to Europe.

In contrast to this assumption, however, it is important to underline the fact that any European interest in the Middle East is not gratuitous. Geographic proximity means that Europe is directly exposed to the spillover effects of underdevelopment and instability in the MENA region in form of terrorism, smuggling, illegal immigration and other sorts of “soft security” threats. Moreover, the MENA region is a significant market for Europe and its main supplier of oil. Stability in this part of the world is thus of primary concern for the EU and its engagement there should be seen as a part of a mechanism to develop means of dealing with out-of-area problems that are increasingly becoming in-area concerns.\(^{171}\)

### 4.1.2 Institutional Mechanism

LI approach: “The need to compromise with the least forthcoming government imposes the binding constraint on the possibilities for greater cooperation, driving EU agreements toward the lowest common denominator, as governments have no interest in making concessions beyond their own objective interest.”

Andrew Moravcsik, 1998.\(^{172}\)

As noted in part one, the European Union’s system of foreign affairs is singular in its kind in international relations: because of an intricate division of powers between the member states and the Community institutions, the Union’s foreign affairs are conducted neither entirely by its member states, which continue to be sovereign in international relations, nor by the Union with its well-developed

Community substructure. Rather, every single element of the Union’s foreign policy is the outcome of a cumbersome and bureaucratic process. It involves compromise-building between the member states themselves, the European Commission and the member states, and between the Presidency and the Commission. Occasionally, the European Parliament can also add a powerful voice. In other words, the EU Middle East policy performance is always a conglomerate of compromises made possible by a particular constellation which remains subject to all sorts of limitations imposed by diverging interests and a rather varying commitment of the different EU actors. The result of that process does not necessarily correspond with rational decision-making in international affairs, but rather with an internal intergovernmental and supranational process producing a certain outcome, which is generally the lowest common denominator.\textsuperscript{173}

4.1.3 Nation-State Sovereignty

A decisive factor of the complicated EU institutional constellation is the \textit{plurality of European national approaches}, different from each other, or even contradictory to each other. Each of the Member States has its individual perception of what their national interest is and obviously no EU member will be ready to comply with decisions in foreign affairs which contradict its view or conscience, especially the EU great powers France, Britain and Germany\textsuperscript{174} -. \textit{"after all, foreign policy goes to the heart of what it means to be a nation."}\textsuperscript{175} It is, indeed, rare that all EU member states share the same opinion about developments in the Middle East conflict, about Israel, the Palestinians or, generally, about the “proper” policy towards countries in the MENA region; there are often two, three, and sometimes even more different views. The fact that each and every EU Member State still conduct its own foreign policy through its diplomatic missions (embassy or consulate) world wide only strengthen this statement. Pluralism, certainly embodied in the centuries-old strength of European nationalism. is, therefore, the essence of “Europeaness”. The EU enlargement of May 2004 has further

\begin{footnotes}
\item[174] Rosamond argues that the outcome of interstate bargains is best explained by the relative power of the states involved. Rosamond (2000): 33.
\item[175] Patten (2002A).
\end{footnotes}
disrupted the progression towards a unified Middle East policy by introducing more diverse interests and less cohesiveness into the EU, thereby making cooperation even more difficult. Moreover, some of the new member states made no secret of their strong pro-U.S. stance in their Middle East policy (i.e., the 2003 Gulf war). Although unanimity voting has been relaxed in several areas, and will likely be relaxed further, at this stage it remains the guiding principle of CFSP voting. This caused enough problems when there were fifteen members; with twenty-five, the “lowest common denominator” has become even lower.

In contrast to this assumption, however, it is possible to claim that the lack of a single voice within the EU does not necessarily have to do with “inflation” of member states’ opinions and positions, but rather with the different attitudes of the key players within the Union (notably Germany and France). Small countries such as Luxemburg, Malta, Estonia, and Finland are less interested with the Middle Eastern conflict (Compare: “Shield Effect”, 1.6).

In sum, one may conclude that the European Union is de facto a puzzle of national parties, changing coalitions (governments), and interest groups from each and every Member state, which together shape an impossible mosaic of interests and views within the EU body and as part of the EU’s foreign policy behaviour. This, in turn, has a direct influence on the EU Middle Eastern policy: a politically paralysed CFSP is often reflected by a European “declaratory policy” based on the lowest common denominator of the EU member states.

The Israeli-Palestinian conflict and the 2003 Iraq crisis are two classical examples, which empirically illustrate the effect of the intergovernmental oriented CFSP on the European failures and shortcomings of its peace-buildings efforts in the Middle Eastern region.

4.1.4 Example 1: The Israeli-Palestinian Conflict

In the past few years we have been witnessing a Middle Eastern “go-alone” approach especially by the main key player of EU foreign policy, namely France and Germany, with both (often) sharing rather different attitudes towards Israel. France, with its traditionally close ties with the Arab world, articulates a rather
pro-Palestinian stance across a spectrum that reaches to the highest levels of government and bases its position on concrete economic interests in the Arab states bordering Israel. Germany regards the defence of Israel’s right to exist in security as its solemn duty; Berlin therefore refrains from criticizing Israel’s operational policy toward Palestinian extremists too strongly. Britain, as the former mandate power, has its own image of the region, shaped through historical experience. However, its engagement in the Middle East conflict in comparison to France and Germany is rather minimal.\textsuperscript{176}

Among the three European key players, France is the most consistently independent of EU policy in its Middle East initiatives. While the European Commission, as well as the EU special envoy to the Middle East, tend to downplay the French influence in the EU Middle East policy, the spectre of proactive French policies that appear in Israeli eyes to tilt strongly toward the Arabs (certainly in Israeli eyes) is cause for serious doubt about the veracity of European initiatives.

Apart of the different attitudes of France and Germany and their “go-alone” approach, it may be argued that sensitivity to the Palestinian question differs greatly from country to country within the EU. Ireland, for example, may be highly sensitive to the Palestinian problem since it has been itself a colony, which, like Palestine, was divided. Likewise, one may assume that Cyprus is sensitive to the Palestinian problem since it shares with Ireland the faith of occupation by foreign forces. As mentioned in part two of this research, in the years that preceded the European common policy there had been different approaches of European states towards the Middle East conflict: the Netherlands was known for its traditional pro-Israeli stance, whereas Greece and Sweden insistently represented a pro-Arab approach within Europe.\textsuperscript{177} Also, some analysts assume that just like in the German case, some European countries such as Austria and Poland were and still are concerned with the Palestinian problem, but at the same

\textsuperscript{176} Geoffry Edwards characterizes British Middle East policy as follows: “Britain has often appeared to leave it to the others to take the lead, being content, seemingly, to remain in the middle of the pack”. Dosenrode/Soeren (2001): 83.

\textsuperscript{177} Sweden generally displays its traditional posture as a kind of “moral neutrality” that always works out for the benefit of “victims”.

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time are sensitive to historical events connected to the fate of Jewish communities in their respected countries during the Second World War.\(^{178}\)

As far as the problem related to interest groups and lobby is concerned (chapter 4.1.4), Stelios Stavridis argues that any economic pressure from the side of the EU member states to push Israel to coming to terms with the Palestinians was slight and has now been abandoned due to pro-Israeli lobby inside the EU. The same is true in regard to the Palestinians.

"Sympathizers of either the Palestinian or the Israeli side are found in all the European institutions including the European Parliament, the Commission and the Foreign Ministries, causing, in turn, a gulf between the EU’s foreign policy intentions and the use of economic tools to enforce those intentions."\(^{179}\)

All the “syndromes” mentioned above lead to a European “rhetorical diplomacy” which offers just the right combination of self-congratulation, “responsiveness” to demands within the EU, and appeasement of public pressure within Europe and without. At the same time, it requires nothing concrete of the European member states. The EU publishes declarations regarding the Israeli-Palestinian conflict in which it recommends, regrets, urges, appeals, and expresses concern, but is not able to offer more.\(^{180}\)

The lack of a single voice within the EU has also been reflected in the past few years at the United Nations General Assembly and the Security Council, where EU members could not agree upon a common position and thereby failed to vote unanimously over resolutions concerning the Israeli-Palestinian conflict. (For example, Germany’s abstention in the July 15 1997 U.N General Assembly vote to censure Israel over Har Homa of East Jerusalem, while the rest of the EU States voted against Israel and for the censure motion).

\(^{178}\) Gerard (1997).
\(^{180}\) European Council conclusions normally contain a sub-section on the Israeli-Palestinian conflict within their “External Relations” section or include an appended declaration on the matter; thus a considerable declaratory “acquis” on this conflict has developed.
4.1.5 Example 2: The Iraq Conflict

The U.S. intervention in Iraq has set back Europe’s common foreign policy, at least for a few months. Despite expected efforts to patch up relations at the April 2003 EU summit, which expanded EU membership to twenty-five members, the American intervention has driven a temporary wedge between the member states. The war in Iraq (March-April 2003) was backed up by the UK, Netherlands, Spain, Portugal, Italy, as well as by most Eastern European states who preferred to get on the side of the most powerful nation, in this case the United States. However, it was strongly opposed by the Franco-German-Belgium “core”, which looked outside the EU to both Russia and China, as members of the UN Security Council, in order to counter US pressures to intervene in Iraq. The United States traditionally played the UK and Germany against France during the Cold War, yet it was the first time in which it managed to play the UK, Spain and eastern European states against a common EU foreign policy.

At the EU emergency meeting on 17 February 2003, President Chirac accused the eastern candidates—who signed letters backing the U.S. position (“gang of eight”)—of “childish and irresponsible behaviour.” He warned the candidates that their position can be “dangerous” because of the EU’s decision to accept 10 new members in 2004 still had to be ratified by existing members. Chirac threats did not help; on the contrary, CFSP became an even more remote possibility in an enlarged EU: the candidate EU members responded to Chirac’s statement with fury and dismay by emphasizing their right for their own foreign policy, arguing that “no-one can oblige us to be silent.” There was also criticism from leading parliamentarians in the European Parliament such as Hans-George Poettering, who said it was dangerous to pit east against west, and EU against the U.S. “They have as much right to speak up as Great Britain or France or any other member of the European union today” said Tony Blair, a champion of eastwards

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181 One of the eventual reasons (but not the primary one) for both France and Germany to oppose the war in Iraq was economic. Both these states have been engaged in deficit spending that exceeds 3% of their GDP. Bonn had helped to pay upfront for the 1990-91 war with Iraq (when it was concerned with the costs of German unification), but it absolutely refused to write a check for the war with Iraq in 2003, in part due to its economic stagnation and burgeoning deficits.
183 Istvan Szent-Ivanyi, Chairman of the Hungarian Parliament’s EU Integration committee. ibid.
expansion. However, the harshest respond came from U.S. Defence Secretary Rumsfeld who referred to France and Germany as “the old Europe.” At a briefing at the white House on 22 January 2003, he stated that

“.. Germany has been a problem and France has been a problem…but look at the vast numbers of countries in Europe, they’re not with France and Germany.. they’re with the U.S…You’re thinking of Europe as Germany and France. I don’t. I think that’s old Europe.”

The disagreement over the Iraq war has created a major crisis within the EU, undermining once again its hopes of strengthening a common foreign policy to boost its claim to be a world power. It has also shaken NATO, to which the U.S. and most EU states belong. In this regard some EU analysts stated that the Iraq War convinced them more than ever that “the CFSP of 2003 is almost inexistent and in fact has nothing in common with reality”. Similarly, Andrew Osborn from “The Guardian” commented in an article from 14 March, 2003 that “the esprit communautaire- spoken of in such hallowed tones by Eurocrats down the years- seems to have vanished without a trace. Getting it back won’t be easy”

4.1.6 EU - International Actor or Civilian Power?

By observing the European internal difficulties to conduct a common policy in the Middle East, the question that arises is the one concerning the latter’s status in the international arena. How can we define the international political status of the EU in view of its Middle Eastern policy performance? Can it be considered as an international actor, despite of its inability to behave like one? Sjostedt claims that since Maastricht the Union has acquired the theoretical right of co-initiative and that therefore, “it appears that the EU has developed a minimal degree of internal cohesion”. He believes that,

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“The Union today made a big step towards recognition as an international actor since it possesses observer status in the United Nations, and non Member States have diplomatic relations and representation with the EU”

Most of the existing literature agrees with Sjostedt´s thesis, also in regard to the Middle East conflict. Supporters of his line (often supporters of European integration in general) tend to look on the collective wish of Europe to play as large a part in the process as it can: the use of a joint action within CFSP to appoint an EU observer to the Middle East (EUSR) is considered an example of such coherence. Some of them, however, appear to ignore the fact that both the mission of the EU Special Envoy as well as the Union´s involvement in the peace Process has so far failed to demonstrate its political strength.

The fact that the EU “converge around a number of shared principles” does not mean that it stands the test of political acting. Since there is no considerable amount of agreement between the Member states in their position on the Middle East conflict, there is only a low level engagement in the peace process (mainly economical). All in whole, the EU low profile approach is not significant in comparison with the possibility of the latter using its considerable economic leverage to influence the peace process: neither the Palestinians nor the Israelis suffer from any economic pressure from the EU. It appears that the reality of CFSP on the ground does not match the rhetoric of its statements. Arguing, thus, that the EU is an international actor per se would not be accurate, since it contradicts the empirical findings of its behaviour in the Middle Eastern case.

Another possibility would be to define the EU as a “civilian power”. The concept is useful, but there is no agreement about what it actually means and whether it is the best definition for the EU. The notion evolved during the 1970s when economic and ideological power seemed to be more important in international affairs than traditional military power. This was illustrated by a number of events, such as the two oil crises, which confirmed the importance of

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190 Ibid. 147 foreign missions are accredited to the EU in Brussels.
192 Francois Duchene invented the term “Civilian power” in 1972.
193 Realists and Liberals differ over the description of Europe as a Civilian Power. Realists deny the concept exists, whereas Liberals use it to understand the role of the EU in the world.
economic power, and the U.S. withdrawal from Vietnam which showed the limitations of military power. In Duchêne’s words, a civilian power, unlike a superpower is:

“a civilian group of countries long on economic power and relatively short on armed force. It is a force for the international diffusion of civilian and democratic standards. An entity with influence over a number of other international actors, though not through traditional military means.”

In other words, a “civilian power Europe” is where non-military means are used to promote CBM, peace processes, as well as democratic principles and human rights in the world.

There is a little doubt that the EU possesses significant financial and economic instruments. The question is whether its economic clout is used to promote these objectives. On the empirical level, if the EU were acting as a “Civilian Power” towards Israel and the Palestinians, then it would be using its economic and ideological influence to pressurize both actors to find a resolution to their conflict. Thus far, the EU has been demonstrating some aspects of being a civilian power (for example, by financing the Palestinian Authority), however, there is little or no conditionality for the bilateral relations with Israel and the Palestinians. The EU Foreign Ministers do not threat the conflicting parties with suspension of agreements in order to encourage them to recommence or move forward with negotiations. Second, despite being the PA’s largest single funder, the EU has not been willing to consider moderate sanctions against the Authority in times where it was widely accepted as being corrupt and having indirect connections to militant groups. And thirdly, apart from routine declarations, the EU did not actually oppose Israel’s illegal building of houses in settlements in the occupied territories. Whilst the EU denounces such abuses of international law, it is neither always willing nor able to use its economic strength to project its views.

In sum, it appears that the EU possesses some qualities and character of both an international actor and a civilian power, with tendency towards the latter. However, the task of attributing the EU body to a certain political frame in

195 Ibid
international relations is not yet possible. This is due to the fact that the European Union eventually has the most formalized and complex set of decision making rules of any political system in the world, being particularly reflected in the Middle East conflict.

### 4.2 Negative Stance Towards EU Involvement

#### 4.2.1 United States

“To the extent the EU is driven, the major consequence will not be a peaceful settlement in the Middle East, but the exacerbation of trans-Atlantic tensions”


One of the fundamental problems of the EU policy in the Middle East peace process is that from an outsiders perspective, it is hard to understand why the EU is behaving in a certain way. This problem becomes all the more relevant if the EU’s policies are addressed to make a difference in a policy field in which other actors act to defend their perceived vital interests.

Since the collapse of the Soviet political system and its ideological underpinning, at the end of the 1980s and early 1990s, the United States has become the unchallenged world superpower, with the largest economy and the most effective military power. As importantly, the United States has exercised preponderant influence in global institutions, particularly in the United Nations Security Council and the World Bank. What is critical about American power is its unilateral nature and the fact that the international community looks up to the United States for leadership and initiative. For all intents and purposes, the United States holds both the key and the lock in making decisions dealing with war and peace in today’s world.

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How do we understand Washington’s ability and success in excluding other international players, including Europe, from Middle Eastern peace-making and to monopolize most issues relating to the peace process?

1. B.A Roberson answers this question by claiming that “the United States became the dominate power in the Middle East peace process because of its clever policy by the conjunction of the collapse of the East Block and the Gulf War.”197 He argues that Iraq’s 1991 retreat from Kuwait was brought about by an international coalition organized by the United States (the sole world power after the collapse of the Soviet Union) and forced Arab governments to face the harsh reality produced by their choice to join the U.S in a war against an Arab land. Their security for the foreseeable future would ultimately be in the hands of the United States. The choice of confrontation with Iraq, rather than mediation and negotiation to find an “Arab” solution, firmly established the conditions for American dominance in the Middle East and its role as mediator in the peace process.198

2. Another suggestion was raised by a group of EU experts at a European Conference in Amman.199 Amongst this group, a consensus existed that Europe has not had the political will or the inclination to directly vie with the United States over the majority of issues dealing with the Middle East in the 1970’s and 80’s, and thus failed to get a stronger political role in the peace process in the 1990s.

3. Some EU policy-makers agree that “complimentary”, rather than competition, is a more apt term to describe Europe’s role in the larger strategic picture both in the Cold-War era and in the post-Cold War era: “The Europeans do not quest for more political engagement in the peace process, but rather prefer to compliment the United States role in the Middle East, which also means a European vocal critics of what the United States does, or rather does not do, in the Middle East.”200 The will to become a complimentary force may have to do with the fact that Europe’s interests and ambitions in the Middle East have

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200 Ibid.
very broadly coincided with those of the United States. Because the U.S. is willing and has the capability to pursue these interests (stability, the flow of oil at a reasonable price and the peace process) effectively, the EU and member-states have, by and large, “resigned themselves to a general support of U.S. initiatives in the Middle East, whether they involve war, sanctions, diplomacy or trade and thus, readjusted their security and strategic concerns in the region in order not to conflict with U.S. vital interests there.”

Whichever assumption may be the reason, or part of the reasons, for America’s ability in excluding the Union from a direct influence of the Middle East Peace Process, there is no doubt about the fact that it is foremost the EU itself, with its intergovernmental character and structure, which prevents Europe from playing a major role in the Middle East peace negotiations. Basically, European and American approaches are embodied in the structures, actors and policy formulation techniques in the U.S. and the EU. However, the EU disadvantage in comparison to the U.S. foreign policy is the different institutional character of the latter. The United States is a state actor; a fully coherent political–military entity, an “address” to which positions can be communicated and with which problems can be clarified and perhaps resolved. By contrast, the EU is not yet integrated enough to be a superpower. It rarely behaves like one. The European Union, for all its progress towards integration, remains an association of sovereign states that cooperates mainly in the economical and financial field, but has severe problem in reaching a concrete common foreign and security policy due to a complicated institutional system. It is first and foremost a civilian and economic power lacking the fundamental pre-requisites of an international actor. Its capabilities to influence the structure of the Middle Eastern political system in a meaningful way are therefore limited. Moreover, the weak foreign policy performance makes it difficult for third countries to adequately assess the full background of a position adopted by the Union and to adequately predict its moves in negotiations as well as in policy implementation. As a result the Union’s partners can easily arrive at false expectations that may then lead to frustration and disappointments over the

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201 Roberson believes that since the Suez crisis (1956), Europeans have had a deep embedded policy of cooperation with the United States to secure the maintenance of the Western sphere of influence in the Middle East. Robersen (1998 b): 12.

202 Ibid.
formers´ lack of flexibility or unexpected changes of position. This is indeed the
case in the MEPP: as we will see later, both Israelis and Arabs accept (or bound to
accept) American mediation because of European inability to demonstrate a
united posture in its foreign policy.\textsuperscript{203}

Since the 1991 Madrid peace conference, certain American politicians have
interpreted increasing EU intervention in the mediation of the Israeli–Palestinian
conflict as, above all, an effort in anti-Americanism. From its part, since the entry
into force of the CFSP in 1993, the EU has been keen to refute suspicions that it
seeks to challenge the mediating role of the United States in the Middle East
conflict. In this regard, Commissioner Chris Patten stressed in 1999 on behalf of
the European Commission that, \textit{“the EU intends to continue to work closely with
the United States - not as competitors, but as partners”}.\textsuperscript{204} In the same vein,
according to former EU Special Representative Moratinos,

\begin{quote}
\textit{“We (the Europeans) do not want to interfere in the (Middle East)
negotiations between the parties for the sake of appearing as another mediator….}
\textit{We simply cannot confront the United States, and we do not want to undermine
the peace process”}.\textsuperscript{205}
\end{quote}

The European awareness of their foreign policy “limits” and the American stance
explains the fine line that the EU usually treads when it comes to the \textit{political
aspect} of the Arab-Israeli peace-making: a very limited policy, which has to fit
into a particular “\textit{framework}” that does not bypass the borders the United States
has set. Therefore, while U.S. policies are highly personalized, focusing mainly on
“\textit{high politics}” such as military and strategy objectives, Europe is often “forced”
to concentrate on the “\textit{low politics}” of economics, culture, and society that
stresses multilateral approaches.

\textsuperscript{203} In line with this assumption, Samuel Lewis argues that despite of its pro-Israeli stance, the U.S.
is preferred as a mediator by the Palestinians as well, because it is the sole power believed to be
able to deliver results, providing guarantees and influential enough on Israel to be capable of
\textsuperscript{204} Patten (1999).
\textsuperscript{205} Moratinos (1999).
But what should Europe do, if this “framework” constituency fails to achieve its objectives? Should Europe remain on the sidelines, or should it take a more active political role, despite an American objection? On the one hand, one may argue that Europe’s interests can be preserved without falling into the trap of playing high-risks roles, such as being a mediator in Arab-Israeli peace process or competing with the United States for influence and recognition. On the other hand, it can be said that Europe’s subservience to Washington is well founded, but to play their role properly the Europeans need to actively engage with the U.S. in a critical dialogue. This point of view calls for reorientation and activization of the EU’s foreign policy toward the Middle East.

The dilemma whether to complement or compete with the United States for a political role in the MEPP has been reflected by the French policy in the past few years. France, under Chirac, has traditionally supported the counter-force or “competetive line” with the U.S. in Middle East affairs, with the aim of reversing French marginalization as a political player and reasserting its role as an active and influential player in the Arab region. Being aware of its lack of political and economic power to rival the Americans, Chirac has increasingly turned to two fora in order to mitigate France’s middle power status: the European Union, where it traditionally plays a leadership role in foreign policy, and the U.N Security Council, where it can wield influence based on its permanent membership. But while France may not be the critical player it wishes to be in the Middle East, its strategy of pursuing an active foreign policy has led to few political achievements in the region. For example its mediation role during the 1996 Israeli launched operation “Grapes of Wrath” in Southern Lebanon (aiming at wearing down Hezbollah’s operational capabilities), its procuring European support for continuing a critical dialogue with Iran and for the financing of the peace process. Furthermore, France’s backing of the “Land for Peace” option in the Israeli-Palestinian peace process, its support for the Palestinian Liberation Organisation (PLO) in the 1970s, and its willingness to openly denounce certain Israeli practices, such as the building of settlements in East Jerusalem and the West Bank, contrasted with what many in the Arab world viewed as an

206 Besides, European efforts to become engaged in the MEPP “high politics” have led so far to naught.
unqualified U.S. support for Israel.\footnote{For example, in March 1997, France co-sponsored a U.N Security Council resolution with Great Britain, Portugal and Sweden calling Jewish settlements in East Jerusalem „illegal“. The United States vetoed the resolution. Le Monde, 9-10 Mar. 1997: 4.} France has also presented an alternative to American policy in other areas in the Middle Eastern politics; in the 1990s it opposed American threats to launch air strikes against Iraq to force compliance with U.N resolutions\footnote{France’s instrumental role in brokering a compromise solution in February-March 1998 to the conflict over The inspection of Iraqi “presidential” sites was possible in part because France was able to use its position in the U.N Security Council to gain crucial support from Russia and the non-permanent members. At the same time, the United States, facing domestic and international opposition to air strikes against Iraq, agreed to accept the diplomatic path urged by the French. That path eventually led to U.N Secretary General Koffi Annan’s visit to Iraq on 22-23 February 1998, and a written agreement with Iraqi President Saddam Hussein.\footnote{On April 1995, the UN Security Council adopted Resolution 986, which allowed Iraq to sell $2 billion worth of oil for humanitarian reasons. As conditions deteriorated for the Iraqi people in 1996-97, France and other nations strongly supported increasing the amount of oil Iraq could sell. On 20 February 1998, the UN Security Council adopted Resolution 1153, which allowed Iraq to increase its sales of oil to $5.256 billion. Compare: Middle East International, 28 April 1995: 10.}} and was one of the major supporters of the decision by the UNSC in February 1998 to allow Iraq to increase the amount of oil it could sell under the “oil for food” agreement.\footnote{According to Chirac, „It is necessary to leave behind the dual containment policy against Iraq and Iran.“ Le Monde, 24 Feb.1998: 2.} It was also critical of the U.S. embargo of Iran and its policy of “dual containment”,\footnote{Former French FM De Charette stated in this respect: “In tomorrow`s Europe, there will be those countries who lead the others. We were able to observe that in the Middle East (and particularly in the Lebanese crisis), France was engaged in the front line; after several debates,} as well as the Iran-Lybia Sanctions Act (ILSA), which penalized foreign companies conducting business with Iran among other countries.

However, the French continuing desire to play a role either as a part of the EU or in a “go-alone” approach is bound to difficulties: On the one hand, France’s strategy of pursuing an active foreign policy has often been strengthened by support from the United Nations and even the European Union, as mentioned here. On the other hand, its leadership ambitions in the Middle East region continue to be constrained by a number of important factors;

1. The United States is determined to maintain its predominant position in the region,
2. Divisions among key EU members on what policy to adopt for the Middle East, and generally about French proclaimed leadership role.\footnote{Former French FM De Charette stated in this respect: “In tomorrow`s Europe, there will be those countries who lead the others. We were able to observe that in the Middle East (and particularly in the Lebanese crisis), France was engaged in the front line; after several debates,}
3. The new EU members of Eastern Europe and their pro-American stance in foreign policy. (The War on Iraq pointed out to the fact that the U.S. has “allies” in Europe which oppose a traditional French dominance of the CFSP. The getting together of France and Germany against a war on Iraq in 2003 has indeed pushed the U.S. to focus more on the new EU members from Eastern Europe, marking them as “the new Europe”\textsuperscript{213},

4. The perception among many Arabs governments, that the United States is the most important non-regional player,

5. Israeli animosity toward French and European intervention in the Arab-Israeli conflict.

Nonetheless, the French government under Chirac remains determined to wield its political power in the Middle East by means of creating a European/French counter force to the world’s only super-power. As noted by Chirac himself, „We are going toward a multipolar world. The United States, of course is first… (but) Europe, despite its difficulties, is becoming stronger.”\textsuperscript{214}

4.2.2 Arabs and Palestinians

The desire of Israel’s Arab neighbouring countries, including the Palestinians, to see Europe actively engaged in the political spectrum of the Middle East Peace Process was not fully realized due to Europe’s weak foreign policy performance and the American traditional role as mediator. Moreover, the inability of the Arab world to pursue a coherent approach towards the conflict made a European involvement even more difficult. Yet, there has been some voices in the past years that blamed both Israel and the United States for constantly wishing to reduce Europe’s role, and for letting Europe play only an indirect role in the multilateral talks.

Arab diplomats argued, among others, that;

\textit{her actions were supported by our European partners and bore fruit” Le Monde. 2-3 March 1997: 3.}
\textsuperscript{213} Donald Rumsfeld , U.S. Secretary of Defence in a briefing at the White House. 22 Jan. 2003.
1. The U.S. played a solo role especially when Israel rejected any role for Europe or the U.N.,
2. The U.S. was not by any means to be considered a neutral partner when it came to the preservation of the interests and security of Israel. As a matter of fact, “It is no secret that the European attitude (regarding the MEPP) is more objective than that of other powers”.
3. “The ultimate “triumph” (of Israelis and Americans) came when the European Union and UN leaderships adopted wholesale the political diction and parameters of the Israeli-American alliance as the defining factors of their role and activities in the region. Israel became the gatekeeper of the peace process, and all stood in line waiting for permission to play a role and expressing their willingness to pay the price.”

Despite these accusations, from the early phase of the peace process in 1991, the Arabs have been cautious not to put too much pressure on the Americans for a greater European involvement, but were instead “consoled” by perceiving the Union’s political involvement if not as a major one, at least as a positive “counter-balance” to the U.S. mediator. In this respect, the Deputy Secretary General of the Arab League emphasized in a 1995 conference that: “The Arab League has expressed the wish to see Europe play a direct role in the peace process; The League do not intent to weaken the role of the Americans but simply to reinforce Europe’s role in the search for peace.” At the same conference, the Arab League’s Secretary General, Abdel Maguid, pointed out to what he perceived to be Europe’s positive contribution to the MEPP:

1. Continue rejecting Israeli confiscation of Arab land, and the building of settlements in the West Bank,
2. Continue to reassert the fact that East Jerusalem is an Arab land, and should become the capital of a Palestinian State,
3. Exerting pressure on Israel to join a Nuclear non-Proliferation Treaty and to subject its nuclear installations to the safety systems of the International

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218 Omran (1996).
Atomic Energy Agency (IAEA) as a prelude to eliminating all mass-destruction weapons from the Middle East. 219

Yet, these rather “modest” demands, which did not call for concrete actions (such as sanctions), could only point out to Arab pessimism about a European ability to play a political role in the Middle East conflict. Similar to the Americans and the Israelis (as will be pointed out later), the Arabs were and are aware to the fact that CFSP is still bound to serious internal and external obstacles which prevent Europe from playing a decisive role in international affairs.

Arab perspective regarding European role in the political domain of the MEPP, or along-side the United States, has not been changed in the past few years. However, there has been increasing voices within the Arab world criticizing American pro-Israeli stance, especially since the beginning of the second Intifada in 2000.

Dr. Hanan Ashrawi, Palestinian Council member and a former Palestinian chief negotiator, expressed Arab and Palestinian frustration in this respect, stating that,

“Whether as a result of gullibility, inherent (strategic) bias, or a determined avoidance of any confrontation with major Jewish and pro-Israeli lobbyists and campaign funders, both American executive and legislative branches seem to be bent on pursuing a precarious course that threatens not only the wreak havoc in the Middle East region, but also to lay to rest any hope of salvaging the image, influence, and interests of the U.S. throughout the region…Maintaining such a biased and one-sided monopoly on the politics of the region and the course of the peace process, the U.S. excluded all other global players, including the UN, the EU […] and anybody else who wanted to invest in peace making or who could counter the extreme one-sidedness of the Americans—even for their own good.”220

4.2.3 Israel

Before outlining Israeli objections to an enhanced EU role in the peace process, it is important to remark here a paradox: Perhaps most significantly in the Europe-Israel relations is that the majority of Israelis tend to see their country as sharing in the European cultural heritage, rather than that of the Middle East.

§ Almost 70% of Israelis are originated of European Countries,
§ The EU is consisted of countries where democratic and moral values are- or are considered to be a tradition. Europe shares, almost without exception, the same social, political and moral values with Israel,
§ Israel is the only non-European country, which is a full member of European sport, media, science and culture associations and that regularly takes part in European events such as the UEFA games and the Eurovision song contest.
§ Europe is where most Israelis vacation and is (along with America) where they feel most “at home” outside of Israel.

Despite this, when considering the lack of political support for Israel in the international arena, Israeli citizens and diplomats alike refer mainly to Europe.\textsuperscript{221} The most important assumption in this case is that we can generalise about an Israeli perspective on this issue, without addressing the diverse views of different political groups in Israel. It is not at all self-evident, for example, that at any given time the political Left and Right in Israel take the same approach to the American role in the peace process. However, in the case of Europe there does appear to be broad consensus in Israel -essentially a negative one- regarding the Union’s involvement in the political spectrum of the peace process.

The gap between the European and Israeli approach to the peace process is a long-standing gap. It commenced most emphatically with the Venice Declaration of June 12-13, 1980, wherein the European Council stated its support for a series of positions regarding the Middle East peace process (see chapter 2.4). Since the 1991 Madrid Conference and the signing of the Oslo agreements two years later,

\textsuperscript{221} It should be noted, however, that most Israelis distinguish between the common EU policy and the unilateral policy of some of its member states.
there has been a renewed widespread perception in Israel, shared to some extent on both sides of the central political divide, that the EU has constantly tried to push itself into a mediating role in the Arab-Israeli peace process despite the fact that it still had very little at stake and very little to offer as mediator (in comparison with the United States).\textsuperscript{222} In response, Israel has traditionally tried to exclude the Europeans, or at least to minimize their direct involvement in the political aspect of the peace talks while welcoming its engagement in the economical domain (i.e., sponsorship of the peace process).

While the EU engagement has evolved in many ways, particularly in recent years, the Israeli view remains essentially negative with regard to an EU political role in the Israeli-Palestinian conflict. In fact, Israel has generally preferred to pursue peace on bilateral basis rather than encourage any outside mediation.\textsuperscript{223} However, when the dangers of stalemate made that impossible, it accepted (or even sought) American involvement or even a European one (a one state initiative),\textsuperscript{224} while consistently and politely rejecting any similar role for the EU. This tendency characterized every Israeli administration, but it was during the years of Peres followed by the Netanyahu government (1995-1999), that expressions of EU dissatisfaction and assertive demands for a more prominent political role ("to be a player and not just a payer") reached its peak. Ironically, it was also during this period that the intensity of American diplomatic mediation reached an unprecedented level, as U.S. officials and diplomats micro-managed negotiations leading to the Hebron Protocol and the Wye River Memorandum. So, if the Europeans have played a secondary if not a marginal role in the Middle Eastern mediation efforts, it was both because of the American reluctance to share this role and the strong Israeli disinclination to see Europe involved in this way.

There are several considerations which may explain the Israeli preference of American auspices over a European one. They are outlined as follows:

\textsuperscript{222} Heller (1999): 1.
\textsuperscript{223} Ibid.
\textsuperscript{224} such as the initiatives of German FM Joschka Fischer in 2001 and 2002.
Historical Legacy

One of the most fundamental characteristics of Israel’s world view is the resolute determination never again to place the fate of the Jewish people in the hands of anyone- European or American. But the U.S. is perceived much better in this equation. While Israel has overcome the legacy of the Holocaust in, for example, creating a close relationships with post-war Germany, Israelis’ sense of being abandoned to their fate by Europeans has been reinforced throughout the years.\textsuperscript{225}

It was France that dramatically turned its back on Israel at the height of the escalation of the 1967 Six-Day War by refusing to grant military support to the Israelis. A few years later, in the 1973 Yom Kippur War, it was nearly all the EC countries that refused the U.S. over flight rights for its airlift to Israel. As Steinberg stated: “In sharp contrast to the Americans, Europe has never taken fundamental Israeli security requirements very seriously.”\textsuperscript{226}

Of course, many Arab states also perceive Europe negatively in terms of the historical legacy of its Middle East presence-from colonialism to Suez. Nor is the Israeli sense of historical betrayal by Europeans necessarily a primary component of the Israeli view of Europe. However, many in Israel hold the position of “you above all, should not tell us what to do”. In their view, some European countries and the EU itself (led mainly by French foreign policy) consistently refuse to learn from past experience; thereby, do not yet appreciate Israel’s security concerns. Here, only the United States is considered as a reliable super-power:

\begin{itemize}
  \item[$\S$] Israel has much greater confidence in the ability and willingness of the Americans to assume some responsibility for the risks and possible adverse consequences of Israeli decisions taken as a result of mediation/intervention.
  \item[$\S$] The United States has a proven track-record of direct economic and security assistance to Israel and of indirect assistance in the form of greater assertiveness on security issues of concerns to Israel.\textsuperscript{227}
\end{itemize}

\textsuperscript{225} Alpher (1988):1.
\textsuperscript{226} Steinberg (2002): 7.
\textsuperscript{227} Heller claims that since the collapse of the Franco-Israeli alliance in the mid-1960s, Europe (with the partial exception of Germany) inspires little Israeli confidence on this score. (2002): 1.
“Pro-Arab Stance”

Perhaps the most obvious consideration for Israel is its belief that the EU is a "persistent pro-Arab". Israel claims that European pro-Arab stance is often reflected through one-sided condemnations of Israel and unbalanced reports by the European mass media which “embraces the Palestinians’ propaganda”. 228 Ovadia Soffer claims in this respect that,

“an in-depth examination of the European media clearly proves that...there is a consistent policy of the media to always find fault with Israel, and to explain even the gravest terrorist attacks by referring to the protracted suffering of the Palestinians”. 229

Israel is also angered by EU declarations which, “repeat many of the pro-Palestinian terms of reference”, 230 thereby reflecting what it considers as Europe’s simplistic and biased approach. For example, EU policymakers repeatedly condemn “excessive use of force” and “extra-judicial killings”, and declare that these measures “do not bring security to the Israeli population”. 231 However, from an Israeli perspective, such statements are fundamentally patronizing and simply wrong-headed. 232 Similarly, the EU’s condemnation of suicide bombings is, in Israeli view, strictly pragmatic, without any recognition of the basic immorality of such brutality. 233 In this respect, Israeli embassies in Europe have often voiced their concern that “Europeans are blind to Israeli victims and suffering. Instead, they put the Jewish state below the level of the worst pariah state and terror organisations.” 234

Nowhere is the problematic nature of European policy toward Israel more blatant than in the bodies of the United Nations, especially the U.N Commission on Human Rights in Geneva. This U.N body, made up of 53 member-states that

229 Ibid.
230 Ibid.
231 European Council’s December 2002, Annex III: Declaration on the Middle East (conclusion).
232 Some in Israel argue that they are also in conflict with U.S. and Russian perspectives regarding the necessary military tactics to be employed in the war on terrorism.
include China, Libya, Saudi Arabia and Syria, is charged with monitoring human rights around the world. On 15 April 2002, it adopted a resolution on the, “Question of the Violation of Human Rights in the Occupied Arab Territories, including Palestine”. Besides stating that it “strongly condemns” Israel, the resolution affirmed “the legitimate right of the Palestinian people to resist Israeli occupation”. Israel claimed that in the context of 2002, this language provided justification for suicide bombings against Israeli civilians. Nevertheless, a number of European states, including Austria, Belgium, and France, supported the resolution. Similarly, while the U.S. government refused to participate in the 2001 Durban “Summit on Racism” (held under the auspices of the UN), “which was itself a vehicle for anti-Semitism and the demonization of Israel”, Europeans (both governments and NGOs, such as Amnesty International) participated and gave legitimacy to this activity.

If indeed there is a certain anti-Israeli stance within the EU institutions, is it possible to explain this phenomenon? Professor Gerald Steinberg from the Bar-Ilan University argued that European intellectuals, journalists, and some politicians have a strong affinity for the Israeli left, and they draw much of their information from these contacts, leading to distortions in analyses of Israeli political trends. This argument is largely accepted in Israel. Bert Stephens from the “Jerusalem Post” presents a different view: he suggests that the lesson that much of Europe- especially the European left- has taken away from the Second World War is not that power must be exercised sensibly and morally, but that power must not really be exercised at all. This lesson is Europe’s political message to Israel which not only occupies foreign land, but often uses disproportionate force in its war against terror.

The phenomenon of an anti-Israel bias within the EU could perhaps be explained through a similar attitude within the European public: According to a poll commissioned by the European Commission in 2003, 59% of those interviewed believed that Israel was a threat to world peace. But why would Europeans polled think that Israel, which lost in the last three years close to 1000 of its citizens to

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235 Ibid. 6.
236 Steinberg, Interview, 15 Apr. 2004.
Palestinian terror, is the greatest threat to their security? Relative amount of information, or the lack of it, is certainly a major reason. North Korea and Afghanistan are far away; Israel is just around the corner and far more familiar. As Israel’s ambassador to the EU argued:

“You cannot see terrorists in their caves in Afghanistan or the nuclear installations of North Korea. It is easier for a TV crew to take pictures of a Palestinian kid against an Israeli tank. You never see the moment when a Palestinian terrorist blows him or herself up in a restaurant in Haifa or in a bus... You cannot get the pictures of Palestinian terrorists planning the blowing up of an Israeli crowded bus. But the Israeli helicopters pursuing those Palestinians are very visible. This is the price Israel pays for being a democracy and no polls should deter us from continuing being one.” 238

**European “hypocrisy”**

Another important aspect of Israeli resentment of European policy is the fact that many Israelis find it hard to accept the European policy of dialogue with certain non-democratic regimes in the Middle East in what, in their eyes, seems to be “a consistent antipathy towards the only democratic state in the region.” 239

This political course exercised by what some Israelis cynically describe as “morally and politically enlightened Europe” creates a sense of suspicion towards the true motivations of the European policy in the region. Perhaps the best example of shared Israeli feeling of mistrust towards the EU is the latter’s policy of Critical Dialogue with Iran - a nation which openly calls for the destruction of Israel, objects the Middle East peace process, suspected of sponsoring terrorism (for example, guerrilla groups in Southern Lebanon) and, above all, of developing weapons of mass destruction that may be used against Israel in the future. For many Israelis, the Critical Dialogue, which perceived insistence on placing short-term economic aggrandisement above morality and strategic common sense, tends to compromise the EU’s efforts in the Arab-Israeli conflict.

Obviously, the Union has been aware of the controversy of its policy. Therefore, since the entry into force of the “Critical Dialogue” with Iran, it attempted to soften Israeli and American criticism: on 10 March 1996, for example, it issued a statement concerning the suicide bombings in Israel. The statement read as follows:

“In this connection we are deeply concerned at the absence of specific Iranian condemnation of the terrorist bombings in Israel and the gap between Iranian assurances in the critical dialogue that they would do nothing against the peace process on the one hand and, on the other, other irresponsible declarations made in Iran about the bombings in Israel. We call on Iran to condemn once and for all acts of terrorism, whoever by and for whatever end, and to respect its commitment to refrain from any action which could undermine the peace process or legitimise terrorism [...]. The Troika visit to Iran will emphasise that if the critical dialogue is worth continuing it must show some progress and convergence on such fundamental issues as the Middle East peace process and terrorism.”

This statement was one of a series of declarations made by the EU on Iran’s political behaviour. This and other resembling statements which were published in the following years have failed to change Iranian behaviour. In spite of this, the EU continues to this very day its political-economical dialogue with Iran, to the great resentment and source of bitterness of many among the Israeli public.

Unitary Nature of Individual European States

The problem of policy coherence and authoritativeness in the CFSP, as noted in the theoretical chapter, does not, of course, apply to individual European states, but from Israel’s perspective, that constitutes a different kind of disadvantage as well: The unitary nature of Middle East policy-making in most European states (usually by heads of government and/or foreign ministers, often under the strong influence of foreign policy bureaucracy), means that Israel has little ability to counteract unfavourable trends or tendencies. The United States, by contrast, has a much more pluralistic foreign policy system, providing more points of access for Israeli input. Not only is the executive itself more pluralistic (Israel, for
example, has been able over the years to cultivate close ties with the U.S. defence establishment); Congress, the media, and public opinion also play a more independent and influential role than do their European counterparts, providing additional (and receptive) avenues for Israeli (and Arab) influence. It does not mean that Europe is less pluralistic, but rather that the EU foreign policy is of static nature, complicated through the CFSP institutional construction and being made by foreign ministries and bureaucrats who influence decision making among the individual European states. In contrast, the multiplicity of contact points (facilitated, but not confined to the American Jewish community) underlines the “special relationship” between Israel and the United States.  

Israel and the “Shield Effect”

Another important aspect is the fact that, for Israel, CFSP means basically giving up foreign policies of those European countries which are being considered as traditionally “objective” or even “pro-Israeli” in their Middle East stance (or which could have been one under the premise of a non-uniterall European policy). Here, the “Shield Effect” theory, as outlined in chapter 1.6, represents a major problematic factor to Israel: Under the CFSP frame, Member States adopt a common position which is often critical of Israel, and attribute it to the discipline of the common European policy established within political Cooperation. From a European perspective this has an advantage: the common position exempts small member states from the task of conducting their own policy over a matter which may be of less concern or even ambivalent for them such as the Middle East peace process. However, it damages Israeli interests since the common policy is dominated by the approaches of its key players, especially by France and its apparent “pro-Arab” bias, whereas the positions of other European states (non key-players which considered by Israel to be more “objective” or “pro-Israel”) are either being assimilated or “vanished” within a European common policy frame.  

In summary, it can be argued that the major reasons of Israel’s preference of American auspices are:

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1. What Israel considers as the EU’s “persistent anti-Israeli stance”.

2. The CFSP intergovernmental character and structure. Whereas the United States is a fully coherent political-military entity, an “address” to which Israeli positions can be communicated and with which problems can be clarified and perhaps resolved, the EU is not yet integrated enough to offer the conflicting partners the same. Moreover, many in Israel are convinced that the European Middle Eastern stance (including the “critical dialogue” with Teheran) is a reflection of the latter’s economical dependency and inability to demonstrate a meaningful political power.

Tension in relations between the EU and Israel have often been translated into a failure to appreciate European interests, aspirations, and capabilities in the region, thereby leading to unnecessary suspicions and considerable underestimation of the European potential to help promote the MEPP. In the absence of changes in these relationships, the EU role in formulating and implementing any new peace efforts will be severely restricted.

Poll: Israelis´ approach towards the EU

A complex and ambivalent picture of how Israelis perceive the European Union has emerged from two public opinion polls. The polls, which included common core questions, were taken in February and December 2003 by Dr. Mina Zemach of the Dahaf Polling Institute for the Delegation of the EU Commission in Israel.242

The latest poll, taken in December 2003 found that a huge majority of Israelis either support (60%) or tend to support (25%) the idea that Israel should apply for membership of the EU. About 80% believe that the EU is a positive development for the world and an even higher percentage (90%) believe that relations with the EU are important to Israel. Moreover, a large majority of Israelis (61%) believe that Israel is not doing enough to promote relations with the EU. European culture and moral values also score quite high points among Israelis. However on the

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242 The complete findings of the December 2003 poll can be seen on the Special Features section of website of the Delegation of the European Commission to the State of Israel: www.eu-del.org.il
emotional level, most feel detached from Europe and express neither positive nor negative feelings towards it.

While two thirds of Israelis believe that overall relations with the U.S. are more important than relations with the EU, only a small majority (55%) think that economic relations with the U.S. are more important (this despite the fact that the EU is Israel’s largest trade partner).

When it comes to evaluating the EU’s attitudes regarding the Israeli-Palestinian conflict, a significant majority (74%) think that the EU’s attitudes towards Israel are unfair and that the EU sides with the Palestinians. Nevertheless, about half of the interviewees (49%) support the idea of EU involvement in the peace process, largely because of a perception that Europe itself can serve as an example of conflict resolution. A significant majority (60%) believes that the EU rarely or never denounced terror attacks.

A majority of Israelis (55%) think that the EU aid to the Palestinian Authority is aimed at preventing its collapse but of these, less than half (41%) believe that this works in Israel’s favour. Three quarters of Israelis see a connection between Israel’s behaviour in the context of the conflict and its trade relations with Europe. Fifty nine percent of Israelis do not rule out the possibility that the EU will impose economic sanctions on Israel (in fact, the EU’s leadership has never threatened Israel with economic sanctions, see chapter 3.1).

A vast majority of Israelis believe that at least half of the criticism addressed by the EU towards Israel is unjustified. However, only a tiny minority (16%) think that this criticism reflects a general attitude towards Israel. The main reason cited for European criticism was European interests in Arab countries, rather than sympathy for the Palestinians or moral principles.

An overwhelming majority of Israelis (92%) think that it is important to improve Israel’s image in Europe and about three quarters think that Israel should contend with European criticism. The two most recommended courses of action are for Israel to supply more information and to strengthen the dialogue between
European and Israeli opinion formers. A slight majority of Israelis also think that the Israeli media provides insufficient information on the EU.

A significant majority of Israelis believe that anti-Semitism in Europe has increased in recent years. About two thirds even agreed with the proposition that the EU’s attitude towards Israel is anti-Semitism disguised as moral principles. However, only a small minority attributed increased anti-Semitism to the behaviour of the European leadership and the most frequently mentioned factors seen by Israelis as responsible for the increase in anti-Semitism are the Moslems living in Europe, together with Israel’s policies in the territories. Although about three quarters of respondents believe that the EU is not doing enough to fight anti-Semitism, the vast majority (92%) believes the EU, as a block, can be more effective in fighting anti-Semitism than each individual Member State.

A comparison between the February and December 2003 polls reveal some significant shifts in Israeli opinion towards a more positive perception of Europe. For example, in December 2003 more Israelis regarded the EU as a positive development for the world (from 75% to 80%); attributed high degree of importance to actual membership (from 77% to 85%); and exhibited positive feelings towards Europe (from 5.6 to a 6.0 average on a 10 point scale). A smaller percentage of Israelis in December 2003 thought that relations with the U.S contribute more to Israel than relations with the EU (from 62% to 55%); detected a negative change in the EU’s approach to Israel (from 59% to 39%) or thought that the EU’s financial aid to the Palestinians hurts Israel’s interests (from 64% to 55%).

Reaction to the poll’s results by Giancarlo Chevallard, Head of the European Commission Delegation in Tel-Aviv, 10 March 2004 in:
http://www.eu-del.org.il/english/040310_GC_poll_statement.doc
4.3 Financial Assistance to the PA

4.3.1 Background

Economic relations between the European Community and the Palestinian Authority were limited until the September 1993 Israeli-Palestinian peace agreements and the putting in place of the Palestinian autonomy. Since 1993, the EU has emerged as the mainstay of international efforts in support of the Palestinian economy and the development of Palestinian institution building. The PA is one of the main recipients of EU aid in the world.

The European strategy for the assistance to Palestinian society is developed within the context of the Euro-Mediterranean Partnership (EMP) and the Palestinian Development Plan. It is prepared by the PA with the support of the World Bank, and constitutes the basis of the international donor community’s strategy. By financially supporting institutional, economical and social development, as well as physical infrastructures, the Union’s goal lies in establishing the foundations for a future independent Palestine. This primarily means:

1. Creating a constitutional government by shaping the institutions foreseen in the “Basic Law” and making them efficient and accountable,
2. Establishing a truly independent judiciary and a harmonised national legal and regulatory framework, which is more suitable to a free society and market, as well as abolishing state security courts,
3. Establishing democratic participatory politics and a pluralist society by creating a more effective Legislative Council that would exercise enforceable oversight and decision-making authority, and which would be responsible for receiving and implementing the external audit findings of a statutorily established General Control Institute,
4. Encouraging further financial openness and accountability.

The aid has been provided since 1993 through different channels:

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244 Patten (2003a).
1. The EU collectively (accounts for approximately one third of the total donor assistance),\textsuperscript{245}
2. The contributions of the individual EU Member States,
3. Loans from the European Investment Bank,
4. Funds to assist refugees through UNRWA.

There are three categories of budget lines for money disbursements:

1. B7-410 MEDA - This budget line covers projects of assistance to Palestinian society that are funded, along with those for other Mediterranean non-EU member countries (as part of the “Association Agreement”).

   Under the MEDA programme, the West Bank/Gaza Strip has been granted a total amount of € 387.7 million - €111 million under MEDA I (1995-1999) and 276.7 million under MEDA II (2000-2003).\textsuperscript{246} As far as payment appropriations are concerned, the PA has so far received a total of € 286.6 million under the MEDA programme (€ 54 million under MEDA I and 232.6 million under MEDA II).

   The MEDA programme is mainly made up of grants, but also includes the financing of risk capital and interest subsidies related to loans provided by the European Investment Bank (EIB). The volume of EIB lending to the PA during the period 1995-2002 amounted to € 230 million, intended among others for small and medium scale ventures, power and water supply, and waste treatment.\textsuperscript{247}

2. B7-420 Support of MEPP - This budget line covers Community actions connected with the agreement concluded between Israel and the PLO in 1993.


   The objective of EU financial contribution to UNRWA is the improvement of living standards for Palestinian refugees. From 1994 to the end of 2002, the European Union had committed approx. €1 billion in grants and loans, and a

\textsuperscript{245} Not counting the bilateral contributions of the EU Member States. EU Commission Work in the West Bank and Gaza, compare: www.europa.eu.int/comm/external_relations/mepp
\textsuperscript{246} www.europa.eu.int/europeaid/projects/med/w_b_gaza_en.htm
\textsuperscript{247} \textit{Ibid.}

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further €500 million in contributions to UNRWA. Additionally, bilateral EU member state assistance is estimated to amount to €2.5 billion over the same period.248

The financial assistance has focused thus far on three complementary areas:

1. Short-term aid focusing on projects in the field of housing, micro-credit, the assistance of small-scale business, as well as education. These projects hope to create conditions for what the EU views as one of the most important aspects of Palestinian development, which is attracting the mass of Palestinian and Arab capital and foreign investments into the Palestinian territories.

2. Medium-term aid has been aimed at improving the economic, physical and social infrastructure of the Palestinian territories, which has greatly deteriorated over years of Israeli occupation, during which the Israelis have been raising taxes from the Palestinians without giving anything back in terms of investment and infrastructure. The same applies to the social infrastructure, in areas like education and health, which have declined very seriously over that period.

3. The provision of financial support for the development of Palestinian institution building.249

After the eruption of the “Al-Aqsa Intifada” in 2000, the EU increased its financial support to the Palestinian society in order to preserve some degree of social stability. Like other donors, it shifted much of its assistance from more long-term institution-building to badly needed humanitarian assistance, support to refugees, and development assistance. In addition, it has provided from June 2001 to the end of 2002, €10 million per month direct budgetary aid to the PA for securing public services expenditures.250 This was done in the belief that it is in the interest of both sides not to undermine the PA ability to pay salaries and maintain the provision of minimum public services.

248 www.europa.eu.int/comm/external_relations/gaza/intro
249 Del Moral (1999), Interview.
250 www.europa.eu.int/comm/external_relations/gaza/intro
4.3.2 Management and Implementation Failures

All budgetary support to the PA is a policy of the EU, endorsed by the Council, supported by the European Parliament and executed by the EU Commission through ECRO (the Commission’s Representative Office), which, along with its technical assistance arm, numbers about 25 full-time staff, in Gaza and Jerusalem. The Representative Office is responsible for following up with the PA on the implementation of the EU-PLO Association Agreement on trade and cooperation, which is the key element in relations between the EU and the Palestinians in the framework of the Euro- Mediterranean Partnership. Apart of managing the EU above mentioned budget lines, the Commission services are responsible for programming, identifying and implementing a large number of cooperation projects aiming at improving economic conditions for the Palestinian population, institution building and people-to-people contacts below government level between Palestinians and Israelis. The Commission should ensure that projects funded are relevant to the development needs and priorities of the Palestinians of the West Bank and Gaza Strip, are feasible (i.e., that their objectives are realistically met), and sustainable (financially, economically and environmentally). The work of project programming, implementation and monitoring should be made possible through coordination both with other donors, as well as with the Palestinian Authority itself. The Commision’s key partner, in this respect, is the Palestinian Ministry of planning and International Cooperation. The aim is that the projects to be funded would respond to the PA priorities as expressed in the Palestinian Development Plan. Finally, the European Commission is expected to play its part in the donor aid coordination mechanisms.

In a Special Report from 12 October 2000 entitled: “The Management by the European Commission of the Programme of Assistance to Palestinian Society”, the European Court of Auditors (COA) assessed the extent to which the

252 The mission of the European Court of Auditors (COA) is to audit independently the collection and spending of European Union funds, and, through this, assess the way that the European institutions discharge these functions. The Court examines whether financial operations have been properly recorded, legally and regularly executed and managed so as to ensure economy,
Commission, through its local representatives, has taken the measures necessary to ensure the best possible implementation of the EU financial support of the MEPP through the development of Palestinian society.

The Court’s audit essentially focused on the three main budget headings mentioned above. It included verification inspections at the Commission’s central services in Brussels and a mission on the spot, in November 1999, to the Gaza Strip and the West Bank, and to the European Commission representative (ECRO) in Jerusalem. A selection of 18 projects, representative of all main sectors of interventions (health, housing, infrastructures, support to the private sector, education, institutional capacity building, recurrent costs), and the 9th and 10th EC-UNRWA Conventions, were examined. Most of these projects were implemented in the period from 1995 to 2000. The commitments relating to them amounted around €527 Million in total. The audit has taken into account the various external constraints affecting the Commission management, such as the complexity and the volatility of the local political situation, the lack of territorial contiguity between the areas under Palestinian administration, Israeli government policy towards Palestinian society, and the weakness of Palestinian institutions.

Although the Court stated in its report that the EU Commission’s assistance programme “has had some positive results in the support of the peace process and the contribution to economic and social development in the Palestinian territories”, it has identified and criticised management and action failures in the programme:

Implementation of projects

Since the decision-making process involves, apart of ECRO, several levels in Brussels and the Palestinian territories, the process of implementation of the EU aid programme was slow and cumbersome. The allocation of responsibilities for project implementation and monitoring was unclear, with the result that ultimately

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efficiency and effectiveness. In undertaking its work, the Court aims to improve the financial management of EU funds at all levels. www.eca.eu.int

253 COA Special Report: 2

254 Ibid.

255 Among them the geographical unit in the Directorate –General (DG), the technical unit of the Joint External Relations Service (SCR) and several units within the latter, such as the legal affairs, public procurment, financial and audit units and the financial controller.
no action was taken for several months.\textsuperscript{256} The relevant files did not provide any information about the reasons,\textsuperscript{257} although the Court pointed out to the fact that some officials in ECRO, who were clearly in a position to make decisions, were unable to do so because they lacked the appropriate authority. Since the aid pledged by the Commission for a certain action did not come with the expected rapidity, the Palestinian authorities turned to other donors to obtain the funding. The Commission’s preparation has thus been done in vain, which implies a waste of its resources.\textsuperscript{258}

**Staff**

The number and skills of staff available in Brussels and the Palestinian territories was not adequate to effectively manage a programme of aid of this size and scope. In addition to the insufficient number of staff of ECRO and the central services, the educational and experience profiles of those who were there have not always correspond to the tasks to be performed. As a result, key members of ECRO staff have in practice had to learn by doing. Also, because of the stretched resources and heavy workload, staff could devote only limited time to professional training.\textsuperscript{259}

**Performance indicators**\textsuperscript{260}

There were no indicators against which the European Commission’s performance in managing the programme could be assessed. Also, the results of an external

\textsuperscript{256} In six of the nine cases observed by the Court it took from one to more than three years to carry out the whole procurement procedure; in the remaining three cases, following the suspension or the cancellation of the invitations to tender, the procedures have not been re-launched at all and the contracts have never been awarded, although the projects, formally, have not been modified.

\textsuperscript{257} COA Special Report, \textit{op. cit}, point 59, p.25.

\textsuperscript{258} Ibid, Point 50, p. 22, 19.

\textsuperscript{259} Ibid, Point 37, p.18.

\textsuperscript{260} Performance indicators are necessary to enable assessments to be made of whether or not the objectives of programmes are being met, results are being achieved, and whether the Commission services are performing adequately. “\textit{Statements, meetings and vague declarations that avoid the key issues are not, in themselves, evidence of success}” (Steinberg, 1999, Elison) The Audit suggested that in the context of a programme where external constraints can disrupt significantly its implementation, it is important for the Commission to identify some indicators that refer to those parts for which it has a direct responsibility. It is only in this way that it can determine whether it is performing as well as it should, notwithstanding what happens in those areas over which it has no direct control.
evaluation of the programme were not adequately followed up upon since the Commission did not set up a precise timetable of actions to be taken.²⁶¹

Pipeline of projects

There was no pipeline of projects, to be identified, prepared, approved, and launched in a continuous process. In order to commit the large volume of budgetary funds available annually, many projects were decided under pressure and without sufficient preparation. Little consideration was given to the size of the project portfolio which could be managed effectively by the Commission’s services, in Brussels and on the spot, and to the capacity of the Palestinian institutions to absorb assistance.²⁶²

Project preparations

Preparation was inadequate for some projects decided in the early 1990’s. This was partly due to the fact that, at the time, the PA did not yet exist, ECRO had not yet been established, and the programme had to be managed from Brussels. However, inadequate preparation has also been observed for more recent projects. The Audit admitted revealed, however, that a significant reason for this was the pressure on the Commission to commit all available funds by the end of the respective year.²⁶³

Co-ordination with the other donors

Because of the very high influx of aid to the Palestinians and the insufficient coordination between donors on the ground (including the EU Member states) on the operational level, delays in starting implementation meant that micro-projects which were supposed to receive EU financing had already been funded by other donors or were no longer of high priority, because of changing circumstances. As a result, project identification had to be carried out twice, thus causing more delays and a waste of technical assistance financial resources. This was the case of

²⁶¹ Ibid.
²⁶² Ibid, Point 48, p. 21.
²⁶³ Ibid, Point 48, p. 21.
a large Primary Health Care Programme in Palestine; because of insufficient preparation and coordination of donors, the project was already out-dated and needed to be thoroughly reformulated. The Court added that the European Commission also failed to play a major role in coordinating the donors, in accordance with the relative size of its programme of assistance.\textsuperscript{264}

Monitoring and Reporting

The Court strongly criticized the Commission for not considering it necessary to arrange an expert-type monitoring of projects in the Palestinian territories financed with EU money. According to the COA, the Commission did not have an effective management information system, covering all budget headings. It has not been able to provide the Court with a complete list of all projects financed in support of Palestinian society, under all budget headings, from 1995 to 1999. In this state of the information systems, it was only possible to compile a complete list by examining the accounting records for each budget heading manually and extracting the individual transactions.\textsuperscript{265} Since ECRO only had a list of the projects financed under the three main budget headings, but no complete list of the projects funded under all the budget headings, it had no means of monitoring the latter systematically. It could only act on a case by case basis. In some cases the reporting provisions in the Financing Agreement were inadequate or unclear, resulting in delays in the payments, blockages and ineffectiveness in the implementing phase.\textsuperscript{266}

Few concrete results

In relation to the basic aim of the programme of realising the PA’s institution building capacity, the court of Auditors noted that although the Commission had started many projects in this field, it had achieved only few concrete results. Most results were in the form of the supply of equipment to the Palestinian institutions, whereas little progress had been made on the more substantial issue

\textsuperscript{264} Ibid: p.7.
\textsuperscript{265} Ibid, Point 60, p. 25.
\textsuperscript{266} Ibid.
of upgrading the structures, systems and administrative capacities of the Palestinian institutions.

The Court regarded as particularly serious the Gaza Hospital project, a huge project (€32.4 million committed) in an area and field where aid was much needed. In this case, the Commission did not take active responsibility in the early years of the project, other than by providing the funds, while leaving everything else to UNRWA.\footnote{Ibid.}

Another particular concern to the Court of Auditors was the failure of projects OT/96/03 to provide technical assistance to the Palestinian Legislative Council (PLC). In this case, the Commission committed €5 million to finance the construction of a building for the temporary seat of the PLC in Ramallah.\footnote{Lamont (2001): 84.}

Delays in approving the Financing Agreement were caused in part by the PA decision to change the location of the building. According to the Financing Agreement, the project had an implementation period of two years, from August 1999 to August 2001. However, at the end of 1999, after several denials from the Palestinian authorities it was found that they had already begun to construct a building for the Palestinian Legislative Council in another location, in the context of a different project, not funded by the EU. This ultimately rendered the EU project as superfluous.

In its \textit{reply to the COA Report},\footnote{Reply of the Commission to the Special Report Programme of Assistance to Palestinian Society, Jan. 2001, attached to: COA Special Report (2000), op.cit} the European Commission primarily stated the following:

1. Implementation: The overriding political situation in the Palestinian territories and the complexity of the projects make it particularly difficult to foresee how quickly projects can be implemented or even whether financing agreements will be signed. This uncertainty makes it difficult to predict the actual level of disbursements.\footnote{Ibid, Point 26-27, Budgetary execution: 2.} Nonetheless, the Commission agreed that delays in implementation must be avoided.
2. Lack of resources: The Commission’s claimed that its efforts to play a high-profile role have been hampered by lack of resources.\textsuperscript{271} It recognised the shortage of administrative resources devoted to the Palestinian aid programme.

3. Organisation: The Commission claimed that it had adhered closely to the rules and regulations, and although this has had the advantage of greater transparency, it has also contributed to slow decision-making.\textsuperscript{272}

4. Performance indicators: The Commission admitted that performance indicators were not set for the Palestinian National Indicative Programme (NIP). It agreed that the use of performance indicators could improve project management.\textsuperscript{273}

5. Project preparation: The commission maintained that the European Gaza Hospital and the Palestinian Housing Council projects were initiated in 1990-1991. ECRO was only set up in 1994, and until 1994 when the Palestinian Authority was established, there was no formal counterpart responsible for the definition of a development strategy and coordination with the donor community.\textsuperscript{274} Nonetheless, the Commission stated that the need to improve project planning and preparation has been recognised.\textsuperscript{275} The Commission also agreed that the information systems could be improved.\textsuperscript{276}

6. Coordination: Coordination with Member States could be further improved. The Commission claimed, however, that there are limits to what coordination can achieve; in particularly when differences in opinion exist between capitals and local delegations. Decisions are taken by a qualified majority which may lead to a situation where the opinion of one or more Members States is not reflected in the final project design.\textsuperscript{277} The problems of effective coordination and, on occasion, wasted effort on the part of the Commission, were not easy to solve given the scale of the aid and the number of donors involved, as well as the institutional weakness of the Palestinian Authority.\textsuperscript{278} Finally, the Commission claimed that its attempts to take a leading role in the international

\begin{itemize}
\item \textsuperscript{271} Ibid, point 85, Coordination : 8.
\item \textsuperscript{272} Ibid, point 38, Organisation : 3.
\item \textsuperscript{273} Ibid, point 54, Performance Indicators: 5.
\item \textsuperscript{274} Ibid, point 48, Project preparation: 5.
\item \textsuperscript{275} Ibid, point 47, Project preparation: 4.
\item \textsuperscript{276} Ibid, point 61, Monitoring and reporting: 6.
\item \textsuperscript{277} Ibid, Point 86, Coordination: 8.
\item \textsuperscript{278} Ibid, Point 50, Project Preparation: 5.
\end{itemize}
aid coordination structure have been opposed by other parties, notably the United States.279

Chapter 5.1.2 will explore if any changes have been made by the Commission following the 2000 Audit Report. However, the following should be noted:

1. The follow-up is difficult, since the Commission changes its control mechanism frequently, and by the conclusion of this paper some details may not be up to date anymore.
2. The second Intifada, which erupted shortly before the publication of Report 19/2000 has surely had implications on the Commission´s plans for improving assistance performance of its Funds to the PA.

4.3.3 Funds Misuse

The pressure put on the Commission by the COA to undertake steps in order to improve supervision on monies invested in the Palestinian territories has been intensified through members of the European Parliament in the past few years. As a matter of fact, months before the publication of the COA Report the European Parliament stated that it awaited with interest the results of the work, insisting that, “… swifter action should be taken to ensure that the Commission exerts direct control over the use to which European funds are put, given the unacceptable fact that such funds have been repeatedly misappropriated.” 280

Since the beginning of the second Intifada in the Palestinian territories (September 2000), tensions between the European Parliament and the Commission regarding EU funds to Palestine have intensified dramatically281Chris Patten, European Commission´s External Relations Commissioner criticised members of Parliament in a statement dated June 2002 . He said that,

“…its right for the European Parliament to ask questions and to expect and receive clear and comprehensive answers. What concerns me in this

279 Ibid, Point 85, Coordination: 8.
281 The conflict between the Parliament and the Commission continues up to this day.
particular case is that whatever answer we (the Commission) give, the same charges are made again and again and again by the Parliament. I suspect that some critics may not be particularly interested in the facts, preferring to try to fit reality to their theory rather than the other way round.”282

Patten’s statement came as a response to EP pressures on the Commission to set up a committee of inquiry, to look into allegations of financial corruption and manipulation that have been levelled against the PA in 2001 and 2002. Members of the Parliaments’ Foreign Affairs Committee demanded to know whether the €10 million, provided by the EU to the Palestinian Authority in a form of budgetary aid once a month, could be used illegally. Those allegations have basically come to public knowledge through two types of sources: Israeli Minister Naveh’s Report stating that EU money was misused and served to finance terrorist activities; and allegations made in European and American press, more specifically Die Zeit and the Wall Street Journal in spring 2002. These allegations have been extensively circulated, largely taken up by media, and were also published on the Internet. The Commission reacted to the allegations by stating that it has found no real evidence of EU funds being used for purposes other than those agreed upon between the EU and the PA. The statement was based, however, only on findings made by its local representations in the Palestinian territories and was not a conclusion of its own led investigation in Brussels. Furthermore, the Commission was prepared to provide the investigation’s findings only to the Chair and Vice-Chair of the EP Committee and “under conditions of confidentiality.”283

On 26 November 2002, Patten was again sharply criticised by several members of the European Parliament on that matter. At a meeting with the Foreign Affairs Committee of the Parliament, the Commissioner was visibly annoyed by the tone of the debate and questioned the motives of the MEP’s in question. He asked what the aim of their campaign was—“to accuse me and my staff or to make it impossible for the Commission to support the Palestinian Authority?”284 He emphasised that “if Parliament decides that the EU should not assist the PA it...
should say so and the Commission will comply.”\textsuperscript{285} MEP Laschet responded to Patten’s statement, saying that he was not criticizing Patten’s work or his policy but simply the fact that the Commission was unable to monitor this direct financial aid.\textsuperscript{286}

Another serious allegation that has been raised by Israel and MEPs alike in the past few years (especially after the eruption of the Al-Aqsa Intifada), was that school books in the Palestinian autonomy, sponsored by the EU, contained passages susceptible to the incitement of Palestinian school children to hatred of Israelis and Jews. Commissioner Patten often referred to that matter on behalf of the Commission stating that:

“…EU Assistance to the educational system has focused mainly on infrastructures, equipment for schools and school libraries and direct assistance for current school expanses (salaries). The content of textbooks and curricula is within the sphere of competence of the Palestinian Centre for Curriculum Development, founded in 1995 by UNESCO, with the support of EU member states”.\textsuperscript{287}

In another statement, addressed to the EP Foreign Affairs Committée, Patten took again a position on the issue, claiming that:

“…this story (incitement in Palestinian school books) comes back again and again with the regularity of clockwork… The European Parliament as well as some journalists are raising unproven allegations against the Commission, wrapped into a tissue of insinuation and amplifying them without bothering to check the facts…”\textsuperscript{288}

Patten did admit, however, that some Palestinian school books may indeed contain material which can be defined as instigation and hatred for Israelis. Defending the Commission´s position he then continued:

\textsuperscript{285} Ibid.
\textsuperscript{286} Ibid.
\textsuperscript{287} Patten in: Lamont (2001): 85.
\textsuperscript{288} Patten (e).
“…The first Ministerial job I had in British politics was as a Minister in Northern Ireland where I was responsible for a 3 billion pounds budget in Northern Ireland. Could I be absolutely certain that none of the money that I was responsible for, that none of the money I was going to Parliament to ask for, ever went, for example, to pay social security payments for somebody who didn’t have the same political views on the Northern Ireland Peace Process as I had? It’s an impossible question to ask in the real world. What I can say is that we are doing everything we possibly can to ensure that the money that you (EP) vote is properly used and properly monitored and we will follow any other sensible advice that anybody has to offer us.”

Patten’s argument about the inability to assure 100% supervision on money investment may seem to be at least partly reasonable. Yet, the Commission’s rather passive approach on that matter certainly does not serve the European interest of being regarded as a serious and responsible partner in the MEPP. It calls into question the EU’s respect of its own fundamental principles under Article 6 of the Maastricht Treaty as well as the fundamental aspect of the declaratory acquis of successive European councils, condemning incitement to violence as an infringement of the principles of human rights, democracy and the fostering of civil society to which the EU adheres. Furthermore, the misuse of the EU’s monies is an illustrative example of the potential for the perversion of the EU’s peace-building aims due to its own incapacity or lack of control on how its funds are employed. It is submitted that simply supplying funds for prima facie “good causes”, such as education, without verifying what exactly is being funded is irresponsible and counter-productive. It may imply that the EU is playing a role in encouraging Palestinian school children to become the vehicles of war by essentially furnishing them with Palestinian school textbooks, which contain myths and incite hostility. This is particularly serious, given the phenomenon of child fighters in the Intifada and the increasing cases of young Palestinian suicide bombers. Dominique Moisi commented in this respect that,

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289 Ibid.
290 The “Mitchell Report” made reference to statistics illustrating that during the first 8 months of the second Intifada, 106 out of 444 Palestinians who were killed were children under the age of 18.
“…the fact that Europe so far has not insisted on that is a grave mistake that only proved to the Israelis that Europe’s peace efforts calculated for its own benefit, regardless of its political reasons.”

Working Group on the Direct Budgetary Assistance to the PA:

In 2003, 169 members of the European Parliament (27% of the total), submitted a petition calling on the President to set up an investigation into the transfer of funds from the European Commission to the Palestinian Authority. Questions regarding the MEPs included these: had the money been distributed lawfully? How had it been used? Did the transfers contravene EU law and in particular the EU treaty which condemns all acts of terrorism? The petition resulted in the Parliament establishing the Working Group (WG) on the Direct Budgetary Assistance (DBA) to the PA in March 2003. The groups’ terms of reference were to analyse and monitor the period running from the end of 2000 to the end of 2002. In practical terms, the WG was called to:

1. Assess whether the Commission had properly implemented decisions taken with regard to the Direct Budgetary Assistance to the PA and whether it had correctly managed such assistance;
2. Establish, as far as possible, whether allegations, stating that EU assistance to the PA had been diverted to finance terrorist activities, were properly founded.

The Working Group had been meeting at monthly intervals and was chaired on a rotating basis by representatives of three EU committees: Foreign Affairs, Budgets, and Budgetary Control. It discussed evidence given by invited experts. It heard presentations by the European Commission, representatives of international Financial Institutions, OLAF, diplomats, academics and intelligence specialists of the Israeli defence establishment. The very manner in which the Working Group was set up raised serious questions. Referring to the lack of clear

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293 The EU has provided from June 2001 to the end of 2002 €10 million per month direct budgetary aid to the PA.
powers and authority, some MEPs claimed that there had been a “whitewash”, and that the Working Group would inevitably protect those EC officials and committees who had been responsible for the ongoing flow of funds to the Palestinian political leadership- even in the face of mounting evidence of misuse. There were also concerns that the Working Group would be influenced by a perceived need to protect EC officials from the threat of civil litigation by European victims of Palestinian terror.  

The Working Group reports were issued in March 2004. They concluded that,

> “considering that all Palestinian Authority budget revenues, from all sources and including EU Direct Budget support, were challenged into the Single Treasury Account (STA) in order to cover total expenditure, it is not possible to make a link between any specific revenue (funds), including European budget support, and payments made. Misuse of Direct Budgetary Assistance Funds (including EU funding) may have occurred, given the non-targeted nature of this type of aid and the mandate of the IMF restricted to overall monitoring. Given the fungible nature of Budgetary Assistance, it is impossible to prove that the misused money was European money.

> “…There is no conclusive evidence that the EU non-targeted Direct Budgetary Assistance was used to finance illegal activities, including the financing of terrorism.”

Far from clarifying the questions that led to the call for a thorough inquiry, the drafts raised new questions which continue to trouble some within the EU establishment to this day. Indeed, the issue of EU funds in general, and particularly the Palestinian school textbooks, is still a subject of inquiries and criticism by private persons, European NGOs, and members of the European Parliament, who regularly address the Commission offices in Brussels on that matter. This indicates that the EU (in particular the Member States and the Commission) is being expected to work harder for a more efficient supervision

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294 ibid.
295 There were two versions due to disagreements over the final draft. (The Wynn/Theto and the Laschet Report).
and control on money investments in the Palestinian territories, and do everything possible in order to assure that the monies invested are not being used for purposes other than the strengthening of the Palestinian society and institutions.

EU funding to the Palestinian Authority: Commissioner Patten responds to a letter from Mr. Laschet, MEP in:
http://europa.eu.int/comm/external_relations/mepp/eufundspa.htm

4.3.4 External Obstacles

Closures & Control: Given that the Gaza Strip and the West Bank areas under Palestinian administration lack territorial continuity and final status definition, the Palestinian trade with the rest of the world is complicated and sometimes even impossible. This is evident, among others, through the travel restrictions imposed on Palestinians living in the occupied territories and the border security checks which are time-consuming. In periods of tension, the Israeli policy has been to seal off the West Bank and the Gaza strip; a major obstacle for the EU work in the area. The closures have been explained as to have a positive psychological effect on Israelis, in need of clear physical evidence of security measures, but a purely negative impact on the Palestinians, particularly in economic terms: Losses due to closures had taken up to 7.4% of the Palestinian GDP per year already before the break out of the “Al-Aqsa Intifada.” It has hindered trade with Israel and the rest of the world, increased costs and slowed down the implementation of development projects.

The ECRO Strategy Report 2000-2006 on the West Bank and Gaza Strip referred to the cost of border closures since 1993 in terms of restrictions on the free movement of persons and direct and indirect effects on the Palestinian economy. It pointed out at several difficulties including:

§ losses of income from the reduction of Palestinian employment in Israel,

297 The Middle East EU human rights Watch Report on the Occupied Territories (21 Sept. 1999, Paragraph 5) claimed that during the period of 1 February and 15 June 1999, closures were imposed on the Occupied Territories for eight days; these were for Israeli holidays and the election and were not prompted by specific security threats.
299 Country Strategy Paper (West Bank and Gaza Strip) 2000-2006:
restrictions on trade, which reduce exports volumes and increase their costs,
§ increase in transaction costs and decline in investor’s confidence,
§ reduced average demand,
§ increased production costs,
§ reduced net value of investments, which is particularly serious in the export sector,
§ a fall in private investment.

The report also referred to the World Bank’s estimation that the cost of closures on the Palestinian economy amounted to between 6 and 10 million US dollars per closure day.\textsuperscript{300}

Another external obstacle of EU support of the Palestinian economy is the fact that all Palestinian trade with the rest of the world has to go through Israel or Israeli-controlled border points. All goods imported from third countries to the Palestinian self-ruled areas are physically inspected by the Israeli customs and can be blocked for security reasons. The Israeli authorities impose similar restrictions on Palestinian exports.

The PA is still dependent on transfers by Israel for a large part of the resources of its operational budget. In 1998, Israel collected funds on behalf of the PA and then transferred them to taxes and duties amounting to 40\% of the PA’s domestic revenue. A year before, Israel blocked all such transfers, causing a financial crisis, which prompted the EU to intervene in favour of the PA by the adoption of a Special Cash Facility.\textsuperscript{301}

Finally, the EU has sharply criticised Israel’s policy during the first two years of the “Al-Aqsa Intifada” for the destruction of the Palestinian physical infrastructure built and supported with EU monies.

Corruption: The basic position of the EU with regard to the development of the Palestinian institutions is that the PA needs to develop the institutional authority

\textsuperscript{300} Ibid.
to direct and absorb aid in order to optimise the use of the EU donor funds.\textsuperscript{302} However, there is a flaw which may impede this aim. The Commission admits that there is evidence of financial mismanagement, financial waste and corruption within the PA\textsuperscript{303} (which is clearly of concern to the EU as the greatest financial donor to the former). These allegations have often led to discussions and dialogues within the EU bodies as to whether or not the EU should halt its financial assistance to the Palestinian Authority. From his side, the Commission has consistently warned the European Parliament, that any action of this kind will be counter-productive as “the alternative to the Palestinian Authority is Palestinian anarchy”.\textsuperscript{304}

In sum, on considerations of its limited power, the economical role appears to be the most suitable one for the EU. It is here that Europeans could positively contribute to the process while avoiding the endless necessary compromises between national interests and the requirements of a working international system.

Yet, despite the EU’s good intentions, the impression one may get is that most of the Member States are simply not interested with the use made by the money invested, but rather with the investment itself. This lack of interest can, to a certain extent, be explained by the “reactive” character of CFSP as noted on chapter 1.6 (“Shield effect”): Hence, “remote” European Member States with very limited foreign policy anyhow, authorize the EU (in this case the European Commission) to act on their behalf in a matter which is of lesser concern for them, while concentrating on other issues which are more relevant for them such as their own internal development. It is therefore possible to assume that without a change of approach by the Member states, the Commission’s assistance to the PA would continue to achieve merely sub-optimal results in its financial support of the Palestinian society.

Thus far, this paper has concentrated on issues relayed to the implementation of CFSP and the many obstacles it is bound to. The major obstacle is the complex


\textsuperscript{303} Patten (2002e).

\textsuperscript{304} Ibid.
European foreign policy mechanism (of intergovernmental nature), which prevents an efficient output in the MEPP. The second obstacle (which actually derives from the first one) is the American, Arab and Israeli negative/ambiguous stance towards European involvement. (generally saying, the other players in the MEPP simply do not take European efforts on the political domain too seriously because of its weak political performance). The following two examples of European Middle Eastern policy will further present the impact of EU premise on the output of European foreign policy in the region.

4.4 Euro-Mediterranean Partnership

Perhaps the most striking European initiatives toward the Middle Eastern region in recent years is the Barcelona Process- a reflection of three main changes in the real world; the end of the Cold War, the internal development of many Mediterranean countries and the peace process in the Middle East.

4.4.1 Background

Under its formal provisions, the 1957 Treaty of Rome limited EEC membership to European Countries. But the Community’s six charter members had always envisaged a future “dotted-line” relationship with the non-European nations of the Mediterranean Basin. Within the ensuing decade, these countries of North Africa and the Middle East would absorb 12 percent of the EEC’s exports, provide Europe with 62 percent of their own exports- most of it in the form of oil and gas- and virtually supply all of Europe’s migrant labourers. From the outset of the network of mutual economic, interdependence was further enhanced by historical, cultural, and even (in the case of France) political affiliations. Without exception, Europe’s statesmen favoured the promotion of trade link as a means of fostering political stability in the Mediterranean. To that end, as early as 1961, the EEC Council of Ministries authorized the commission’s technocrats to study a possible institutional relationship with the Mediterranean “poor cousins”.
By 1967 the EEC had become the largest trading bloc in the world, accounting for more than 40 percent of all international imports and exports. No Mediterranean government could ignore such a surging market. Thus Spain, as well as Israel, Morocco, Tunisia, Cyprus and Malta applied for a preferential relationship.

In July 1970, the EEC signed its second treaty with Israel (the first EC-Israel accord was signed in 1964), and then a simultaneous, concomitant agreement with Spain. Several months later, Tunisia and Morocco entered into an identical configuration. Under its provisions, a limited number of products from these countries would henceforth be admitted into the Common Market on a reduced-duties basis; in some instances by as much as 50 percent. Among the selected items were citrus fruits, avocados, fresh vegetables, and fruit preserves, all delectable that would prove valuable hard-currency earners in central and northern European countries.

On the non-economical platform, efforts of the EEC member countries to elaborate common foreign policy toward the Mediterranean region started in the 1970s, mainly as French initiatives. The most important events in the process were as follows:

1972: The Paris meeting of Heads of States and Governments, where the need for common policy toward the Mediterranean was expressed.
1976: Cooperation agreements between Maghreb countries and the EEC.
1978: Cooperation agreement between EEC and Mashrak countries.
1990: European Council approved the “renovated Mediterranean policy”, which increased financial assistance 4.4 billion ECU.

After the end of the Cold War era and the 1991 “Desert Storm” operation, the EU found itself retaining only residual influence in the Middle East, lacking the autonomous ability to project power in the region and buttress further developments of its interests. A non-strategic approach, or rather the melding of their Cold War strategic interest in the region with that of the United States, has led them to place a high premium on stability not only for trade and commercial

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305 Sachar (1999): 214
307 Ibid.
reasons, but also to ensure an acceptable flow of oil at reasonable prices.\textsuperscript{308} The EU growing economic power has proven to be the most effective means at hand to project its influence and ensure stability beyond its borders.

In 1992, the main policy objectives of the EU in the new post Cold War era have been summarised in the Lisbon agreement, which among the main goals of the future European common security and foreign policy declared that,

\begin{quote}
“…priority should be given for a constructive dialogue for the establishment of a zone of peace, security, cooperation and prosperity in the Mediterranean”\textsuperscript{309},
\end{quote}

In the process, the EU has attempted to formalize its interest in the Mediterranean by the establishment of the “Euro-Mediterranean Partnership” (EMP) through which its member-states would conduct their bilateral relations. The central concept behind this framework was that although Europe was limited severely in acting on the political front in the Middle East, it could have act on the “low politics” domain within a wider Mediterranean frame. Indeed, the beginning of the peace process between Israel and the Palestinians in 1993 was a clear indication that the proper time for this kind of initiative had come. After two years of EU internal negotiations, the proposal for the Euro-Mediterranean Partnership was finally approved at the 1995 EU Cannes Summit. With this decision, the attempts to organize a common Euro-Med Conference had advanced to the point of holding the first general meeting between the EU and Mediterranean countries in 1995.

The first EU-Mediterranean Conference took place on the 27\textsuperscript{th} and 28\textsuperscript{th} of November 1995 in Barcelona. All of the EU Member States participated, as did Morocco, Algeria, Tunisia, Egypt, Israel, The Palestinian Authority, Jordan, Syria, Lebanon, Cyprus, Malta and Turkey.

The main text of the Barcelona Agreement reads as follows:

\textit{“Dialogue and cooperation between the EU and countries in the south of the Mediterranean will intensify…in order to create out of the Mediterranean an area...”}

\textsuperscript{308} Roberson (1998): 15.
\textsuperscript{309} Simai (1996): 2.
of exchange and dialogue guaranteeing peace, stability and the well-being of those who live around it.”

“The EU and its Mediterranean partners will have to meet common challenges calling for a coordinated overall approach. That approach must take proper account of the characteristic and distinguishing features of each of the countries on the other side of the Mediterranean.... To that end, the EU is prepared to support those countries in their efforts to turn the region progressively into an area of peace, stability, prosperity and cooperation and for that purpose to establish a Euro-Mediterranean partnership. That calls for political dialogue, sustainable and balanced economic and social development, combating poverty and the need for greater understanding between cultures through a reinforcement of human dimension in exchanges.”

The Agreement consisted of three Pillars:

The first chapter entitled “Political and Security Partnership” called for strengthened political dialogue between the parties; established points of principle (such as developing democracy and human rights), proposed measures of arm control and confidence building, and fixed the objective of a Euro-Med stability pact. (Even so, no operational role was foreseen for Barcelona in the MEEP, although it was hoped that a general supporting role could be played, especially in economic terms).

The second chapter entitled “Economic and Financial Partnership” was on the other hand much longer, more detailed and specific. This section was clearly regarded as the heart of the declaration and the “engine” of the Process. The central economic objective was the creation of a Euro-Med Free Trade Zone by 2010, which would be achieved by the progressive dismantlement of tariffs. The building blocks of the process were bilateral Association Agreements between the EU and the individual Mediterranean partners.

In order to help partners prepare for competition with Europe, the EU set up a programme known as MEDA, which was designed to support economic restructuring including infrastructure modernization, liberalizing measures and privatization. Ninety percent of MEDA was for bilateral assistance, disbursed according to the quality and speed of proposals presented rather than through

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purely national allocations. The remaining financing was dedicated for regional cross-border projects.

The economic programme which was the centrepiece of the EMP placed overriding faith in the market to generate prosperity. It was also assumed that “political liberalisation in the Mediterranean area would follow automatically from economic liberalisation.” (compare: Neo-Functionalism, Chapter 1.2).

The economic pillar of the Agreement called for cooperation in various fields including industry, transport, energy, environment, investment and capital. Finally, far more than a trade agreement, the Barcelona pact transcended all earlier economic cooperation treaties between Europe and the Mediterranean countries which were not a part of geographical Europe.

The third chapter of the Barcelona headed “Partnership in Social and Human Affairs”, covered a wide area. Its primary intention was to involve “civil society” in building the Euro-Med relationships. This section echoed some of the objectives set in the first chapter, including cooperation over human rights, migration, anti-terrorism, drugs and international crime.

Translating the Barcelona Statement into actions, the equation on which the process and the new Mediterranean policy were based upon were the provision of European assistance in exchange for political and social reforms, aimed at enhancing the stability of the recipient countries. Additional aims were the continuation of the structural reforms for a socio-economic transition, regional integration, investment and the enhancement of cooperation between businesses. To that end, the Cannes European Council (26 June 1995) agreed to a full aid package of €4,685 million for the Middle East and North Africa countries (MENA), compared to €6,693 million for the central and eastern European countries for the period 1995-1999. This constitutes a 59 to 41 ration in the latter’s favour. The Stuttgart Conference (15 April 1999) relayed the EU’s

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311 Ibid.
312 International Herald Tribunal, 27 June 1995.
313 Chris Patten argued that it is a “particularly widespread misunderstanding to consider that the EU’s obligations with regard to Eastern Europe will impede its cooperation to the South and South-East because development in one area is not necessarily at the expense of another. He stressed that enlargement of the EU to the East would open up new opportunities rather than dilute EU concern for the Mediterranean region which “would remain a relationship of primary
claim that its assistance for 2000-2006 would reflect the high priority that it attaches to relations with its Mediterranean partners in the context of its overall commitments. This pledge was confirmed by the Nice European Council, 7-8 December 2000, which gave an assurance of €5.35 billion to finance the reformed MEDA mechanism and an additional €1 billion in EIB loans during the next financial perspective of the EU budget.\footnote{Lamont, Alison (2001): 30.}

Although Israel was not one of the countries due to receive direct financial assistance from the Union, it initially reacted very favourably to the European initiative:\footnote{There was, however, also a negative aspect for Israeli interests- in the years that followed the signing of Barcelona the latter has expressed dissatisfaction from the fact that its economical relations with the EU are bound to the Barcelona frame, and thus, can not develop outside this frame.}

§ The interests of the European countries have run parallel to Israel’s desire to see the European Union devote greater economical attention to the Middle Eastern area and direct economic resources southwards to the Arab countries as a support to the peace process. Israel, like the European Union, had a strong interest in enhancing the political and economic stability of the region.

§ The MEPP and the Barcelona partnership have made possible, as a natural consequence, the invitation of Israel to regional forums, a large part of which is made up of Arab states.

§ The conjunction of interests under the Barcelona Frame was fraught with political, economic and cultural potential. In the political sphere, an important factor was the “restraining” effect of the European presence on the Mediterranean framework. This presence could calm the fears of the Arab states of an Israeli “hegemony” over their economy and could enabled Israel to move a step forward in realising the potential of normalisation. Israel’s participation in the Barcelona process also permitted it to be more intimately connected with the effort of the European Union, leading to a closer mutual relationship.

§ Israel hoped that the Barcelona objective would result in the legitimacy for democratisation processes and would raise the socio-economic level of significance for the EU.” Compare: European Union’s External Policy and the Mediterranean. Patten, Euromed Report No. 08, 4. April 2000:3.
some of its neighbouring states. This would have been helpful, for example, in the fight against fundamentalism.

§ There is, of course, no political sphere without an economic one. As mentioned, Israel was not part of the equation underlying the Barcelona initiative-economic assistance in exchange for political and economic reforms. At the same time, it saw the mobilisation of resources for regional cooperation and development and the participation of Israeli firms in the realisation of the EU’s projects with great potentiality. The realisation of this potential may have helped Israel to become integrated into the eastern and southern Mediterranean.316

The Arab League supported the new initiative as well, regarding it as an important step toward strengthening Euro-Arab relations. Furthermore, the quest of the 1970s and 1980s for a European-Arab dialogue has become irrelevant in the light of this new concept which made it possible for both Europeans and Arabs to tackle relevant issues, including political ones, as part of the broader framework of a “Mediterranean zone”.317

In 1995, the Arab League maintained in this respect that:

1. The initiative is launched by an important international body, which is of major importance to the Arabs.
2. The initiative is closer and more concerned by the problems of the region and could contribute in establishing real cooperation.
3. It would support the creation of peace and stability through political dialogue, including security issues,
4. A toll free zone between the EU and the Mediterranean countries would strengthen regional relations.318

The test of political reality, however, proved to both Israelis and Arabs that the Barcelona objectives which were hoped for, could only be partly delivered due to

317 For example: the rising of Islamic movements, migration, population growth and economical dependency.
the complicated political and economical circumstances of the Mediterranean region.

### 4.4.2 Functionalism & Intergovernmentalism

How can the 1995 EU’s Euro-Med initiative be explained in light of this statement?

In order to answer this question we should first have insight on the specific circumstances that led to Barcelona Agreement:

The idea of a new major initiative gained ground only when France shifted its full weight onto the side of a new approach to the Mediterranean. According to Monar, this move was aimed “to reaffirm its political role vis-à-vis Germany’s emerging role as champion of the eastern enlargement…In addition, France has been increasingly worried by its immigration problems”.

It was only natural then that the other southern European states would back up such an initiative for their own benefits. However, it took some time until the EU was ready for the launching of the Process. In order to move forward, the key obstacle was to overcome the objections of the northern member states, most notably Germany, Britain and the Netherlands, whose primary interests were focused on relations with Eastern Europe and the EU’s future enlargement in that region. The internal EU negotiations, which led to the launching of the Euro-Med Partnership took place primarily between 1994 and 1995. The positive impact of the European intergovernmental setup in this case was that it provided an established framework and set of rules for this clearing of interests towards a new policy in the Mediterranean region, “channelling” the diverging aspirations of the individual member states and the Commission towards a compromise. The negative impact, (again related to this basic function of the institutional setup as a clearing-house of interests), was that inevitably the Union’s position at the start of the Barcelona process was in every sense the result of a lowest common

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320 According to Allen & Smith, France, Spain, Portugal and Italy were the driving force behind the initiative. Compare: Allen & Smith (1998-1999): 97.
322 The process was also helped by the increasingly ambitious European Commission who recommended this initiative at the EU Summits in Corfu and Essen (1994) and Cannes (1995).
denominator, compromising between diverging interests\textsuperscript{323} under given circumstances, subject to a whole range of political and economic limitations and implying no change of strategic direction by the individual member states. But since the Barcelona process was regarded as belonging to the area of “low politics” anyhow, it was therefore less exposed to controversy inside the EU. On the contrary,

\begin{itemize}
\item It gave the Union the possibility to adopt positive economic measures for its own benefit without having to agree on a meaningful political position or steps within the CFSP regarding conflicts such as the Arab-Israeli or the Cyprus conflict.\textsuperscript{324}
\item It presented an alternative to America’s four-decade role as guardian of western interests in the Middle East. Through the new enterprise, the Europeans were now engaged in a more profound commitment to Mediterranean stability than at any time since the pre-1956 years of Anglo-French domination. As EU analyst Sachar commented, “the Barcelona structure tended to loom larger as Washington faltered in its own Middle East diplomacy.”\textsuperscript{325}
\item The timing was suitable- in 1995, peace negotiations, reconciliation and a will for cooperation had dominated the atmosphere in the Middle East. For the EU it was the perfect opportunity to bring together Israel, its immediate Arab neighbours and the wider circle of Arab states in the Maghreb, through a Mediterranean Agreement, to address issues of regional and mutual concern.
\end{itemize}

The idea of the multilateral talks was that by drawing the states in the region into an ever-wider web of economic, technical and welfare interdependencies, they would be forced to set aside their political and/or ideological rivalries. Drawing parallels from the (limited) neo-functionalist experience in Europe, the intention was that functional cooperation would eventually spill over into social stability and regional peace.\textsuperscript{326} (“Spill-over” results from the “unintended

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\textsuperscript{323} Not only inside, but also outside the EU, among the MENA participating countries.
\textsuperscript{325} Sachar (1999): 354.
\textsuperscript{326} In other words, “low politics” will spill over into “high politics”.

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consequences of incremental earlier steps”, which implies that functional tasks have a tendency to expand). Indeed, the example of the European integration process through spill overs has been used to formulate functional visions which would accelerate the Mediterranean process of conciliation. From a European perspective, one had to look at the economic framework in which Europe found itself at the time in order to assess the outcome of the efforts of the EU and its southern Mediterranean neighbours in creating a new basis for their political, economical, and cultural relationship, and in discussing the future of the envisaged partnership.\textsuperscript{327} Yet, the EU has paid less attention to existing unresolved conflicts and the disadvantage of heterogeneity within the wider “Mediterranean” framework.

4.4.3 EMP Problematic Nature

“Some find the Barcelona Process unrealistic. A fact which is not entirely unfounded.”
Chris Patten, 2002.\textsuperscript{328}

The Barcelona Declaration has been analysed and criticised in some detail since it was adopted at the 1995 conference. Existing analyses and critiques focus on two main facets of the EMP-

1. The concept.
2. The implementation difficulties.

Both of them are directly related to fact that the Barcelona approach is too global, too theoretical and practically overlooks regional conflicts (especially the Arab-Israeli one).

\textsuperscript{327} Mitrany, “father of functionalism” was convinced that in a functionally integrated world, economics will triumph over war-and the security problem will be transcended.
\textsuperscript{328} Speech at the European Parliament plenary, 24 April 2002.
The Concept

The Barcelona Declaration envisages a partnership between the 25 members of the European Union and 10 other states around the southern and eastern Mediterranean. The EU members are a block, the partner states are not (though Arab participants in the EMP periodically coordinate their positions on issues raised in the context). There is thus a concern about the built-in hypocrisy of founding a partnership with 35 members, which only thinly disguises the fact that 25 of them are grouped in a powerful economic and political bloc, namely the EU, which is certainly motivated by a desire to keep the others at arms length. The inclusion of Cyprus and Malta as well as the possible inclusion of Turkey within the EU, thereby its removal from the “general” non European Mediterranean Block has left the Barcelona process dangerously exposed to Arab-Israeli political divisions. If, in turn, special arrangements are made for Israel, which, in economic terms, resembles EU member states more than its Arab neighbours, Barcelona could well be reduced to a kind of enhanced Euro-Arab dialogue, in which the common linking factor between states is their indefinite and foreseeable exclusion from a larger EU.

The participation of nearly all the players concerned lowers the implementation costs for decisions which are taken (if any), and minimizes the danger of free-riding. However, the growing number of parties involved means that there is a greater possibility of negotiation deadlock on account of the complexity of the issues that have to be coordinated.

The implementation

The Barcelona Agreement conceptualises the Mediterranean as a geopolitical, strategic and economic space. It speaks of establishing generic mechanisms for conflict resolution in a setting which has yet to be created. However, two important points are being ignored:

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329 The text was written before the 2004 EU enlargement.
1. The existing unresolved conflicts and the relation’s complexity between states of the Mediterranean Basin (especially the Middle East area).

2. The fact that the EU and the MENA countries may have the same economic interests, but have different patterns and concepts relating to issues such as human rights, democracy and good governance.

(1) Pillar I of the Barcelona Agreement takes little (if any) account of the need for prior resolution of the Arab-Israeli, Cyprus and Western Sahara conflicts. Players on either side of these divides cannot enter into cooperative security arrangements with each other as though their antagonisms had been resolved, because in so doing, it may institutionalise a status quo which they are unhappy with (hence, cooperative relations that they wish to develop only as the fruits of peace). The Syrian government in particular does not accept that CSBM can aid the cause of peace-making. Rather, they see these as enabling Israel to short-circuit the necessary prerequisites for peace. This assumption surely makes a sense, since Israel could only gain from the process.\textsuperscript{331} It explains the fact that the adoption of the long-prepared “Euro-Mediterranean Charter on Peace and Stability” during the Euro-Med Summit in Marseilles (15-16 November 2000) has failed. Here, the violence in the Middle East, which slipped dangerously into a bloody conflict from September 2000 and onwards, was the most direct cause of this failure, given that the necessary consensus of the 27 partners could not be achieved in the absence of the Syrian and Lebanese foreign ministers under protest at the “Israelis´ suppression of Palestinians”. Although the remaining partners agreed in their final statement that Barcelona still represented the most viable forum for the promotion of regional peace, the suspended Charter had by no means been universally approved in its draft form, even though it allowed for the possibility of greater sub-regional security co-operation.\textsuperscript{332}

Pillar II of the agreement deals with economical cooperation. However, the Union’s “functional” assumption that implementations of neo-liberal economics as part of the Barcelona Agreement would bring remedy to cure ills in the Middle East is false. Obviously, some Arab countries in the EMP programme do not want

\textsuperscript{331} Ohana (1999): 81-99.
\textsuperscript{332} in order to lift some of the region’s non-Middle East related security concerns from under the weight of Arab-Israeli differences.
to “reward” Israel with normal economical relations prior to the conclusion of the comprehensive peace settlement, wherein Syria, Lebanon and the Palestinians will achieve satisfaction of their outstanding claims.

Certainly, negotiations of association agreements, which provide for a gradual transition to free trade, have been signed under Pillar II, but only on a bilateral level, emphasising the isolation of each Mediterranean partner country in its dealings with the EU. While this practice makes it possible to avoid certain obstacles, there is an inherent danger that a hub-and-spokes pattern will be created in which the vertical links between Europe and the Mediterranean partners are not complemented horizontally. Indeed, no multilateral agreements have been signed since Barcelona, and no powerful multilateral institutions have been established although the basis of the Barcelona process is a multilateral approach.

(2) The ambiguity over the principles that should guide the dialogue, as well as the absence of the notion of political conditionality (for example sanctions), may indicate the assumption that the EU has greater interest in fruitful economical interaction than political stability and democracy. As a matter of fact, democratic principles, human rights and social and cultural issues are more prominent in the Barcelona Declaration than in the actual bilateral association agreements.

4.4.4 Consequences

The Barcelona Agreement called to life a new, artificial geo-political constellation, while ignoring fundamental premises within it, such as conflicts in the region and the different economical and cultural premises of the participating countries. Indeed, back in November 1995 both Arabs and Israelis expressed their reservations with the broad lines of the declaration. Consequently, long negotiations were needed in order to agree upon a common draft:

336 Yet, in contrast to this statement, it may be argued that political, social and cultural objectives, including political stability, are primarily sought through economic growth, which is itself supposed to flow from policies of free trade and internal economic liberalization.
Syria and Lebanon were concerned about Israel’s involvement in the process and pressed for changes in the wording on the MEPP, self-determination and terrorism.

Morocco (and later Israel) wished to have recognition of its special economic relationships with the EU.

With Israel’s nuclear capability in mind, Egypt sought references to the Non-Proliferation Treaty.

The Maghreb countries were concerned that what they regarded as social issues were presented as security matters, and also that the principle of the free circulation of persons was not recognized. Re-admission of illegal immigrants was another sensitive issue.

In general the Arab Mediterranean partners complained about the importation of “western values” in the draft agreement, which was code for their concerns about the clauses relating to human rights, democracy and civil societies.  

Some of these concerns were addressed in drafting changes but the basic thrust of the EU text remained fundamentally unchanged. After some last minute cliffhanging over issues relating to the Middle East, a vague drafting of the agreement was adopted by all parties and signed on 28 November 1995. It reflected the lowest common denominator of the participating countries and the rather unrealistic goals of a “functional” working mechanism.

Soon after, the EU had to confront many obstacles, foremost difficulties in the implementation process. In the period that followed the conclusion of the Barcelona document, both political developments and the practical reality of implementing some of the commitments (i.e., the “Mediterranean Charter for Peace and Stability”) led some observers to conclude that the political and security agenda of the main Barcelona chapter (Pillar I) was breaking down.

In a region still in the beginning of a process of transformation, such ambitious approaches as presented in the Barcelona Agreement could neither be sufficient.

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nor efficient in its implementation; neither Israelis nor Arabs could sacrifice their geo-political/strategical agendas on the altar of economic gains.\textsuperscript{338}

The already ambitious objective of promoting dialogue and building partnership with countries that were in a state of war with each other was compounded by the Israeli elections in May 1996 in which Netanyahu became Prime Minister. According to Richard Edis, Euro-Med Coordinator 1997-1998, almost all initiatives for security and confidence building measures were vetoed by the Syrians and Lebanese as a result of Natanyahu’s critical view of the Oslo Accords\textsuperscript{339}. Consequently, the EU had to resort to making proposals of a purely cosmetic nature to maintain any semblance of activity in this area.

In the period that followed, the possibility of developing a wider dialogue was limited by internal EU divergences over major regional issues such as Libya, Algeria and Iraq. Nor was the EU ready to pursue the human rights provisions of the Barcelona Declaration for fear of provoking a strong reaction. In the 1997 Conference in La Valletta, the EU confronted, once more, serious political obstacles. Syria sought to amend elements in the EU draft declaration referring to human rights, debt relief, social rights and terrorism, as well as references to the proposed Euro-Med Charter for Peace and Stability and the CBM Action Plan. Furthermore, a European attempt to arrange a meeting between Chairman Arafat and Israel’s FM Levy failed and thus, served to increase the focus on Arab-Israel issues to the detriment of Barcelona issues. In the end it proved impossible to agree on the draft conclusions before the Valletta Conference terminated. Senior officials were obliged to meet in Brussels in early May to patch together a text whose content bore very little relationship to the reality of what had, or rather, had not been discussed at Valetta. Edis admits that it included hollow-sounding claims such as that “substantial progress in the development of the Euro-Mediterranean Partnership has been achieved since its establishment”.\textsuperscript{340}

The perceived failure of the conference deepened the impression of a Process that was in trouble. The atmosphere continued to deteriorate throughout 1997. This was due to an unsuccessful attempt by the EU to hold a meeting to address

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\textsuperscript{338} Abdel (1998): 220.

\textsuperscript{339} Edis (1998):23. However, it may be argued that the Syrians and Lebanese would have vetoed the CBM also in case that Labour was in power in Israel.

terrorism issues in July and the last minute cancellation by Morocco (under Syrian pressure) of a Euro-Med industrial minister’s meeting due to be held in Rabat in October.

What was termed the *ad hoc* Euro-Med ministerial meeting took place in Palermo on 3-4 June 1998. Although the atmosphere was “*excellent with both Arab and Israelis on their best behaviour*”\(^341\), the meeting did not achieve concrete results.

The Barcelona Process has became dominated, *as expected*, by Middle Eastern issues and gradually lost its relevancy.

To conclude, the Barcelona process was the outcome of intergovernmental negotiations between the EU’s member states and reflected in every sense the lowest common denominator reached by the parties involved. It was launched in times where the Middle East peace process was at its peak; where reconciliation and a will for cooperation had dominated the atmosphere in the region. Since then it has been fleshed out through various procedural measures, dialogues and activities, the negotiation of partnership agreements between the European Union and the Mediterranean partner states, and the conclusions of further ministerial conferences. Yet, the expectation from the Barcelona Process was not altogether fanciful. As noted in this chapter, when crisis in the Middle East Peace process cast a shadow over the Barcelona Agreement, the EMP security and economical agenda was contracted to a more modest set of items for discussion, in the interests of preserving and protecting the core process.

Despite some EU policy-makers’ claims nowadays that the Process is still dynamic, most of the Arab and Israeli politicians who were involved in the Barcelona process from the very beginning, as well as the majority within the EU institutions, have come to terms with (at least) a partial failure of the dialogue.\(^342\)

The loss of interest with the process was also evident in the European and Middle Eastern media, particularly since the eruption of the second Palestinian Intifada in September 2000. It is important to emphasize, however, that subsequent to the signing of the declaration, certain developments *have* led to some refinements in the vision it embodied—mainly in the economical and social domains. This has


\(^342\) Chris Patten claims that some find the Barcelona process unrealistic, a fact “*which is not entirely unfounded*”. (2002c) Speech.
been the outcome of the MEDA assistance programme to the participating Arab countries and the Association Agreements which conditioned such a support to positive developments in the fields of economy, welfare, human rights and democracy.


4.5 Critical Dialogue with Iran

The following chapter deals with Europe’s so-called “Critical Dialogue” (or: Constructive Dialogue) with Iran. Opponents of this policy often argue that the Union, sharing common values and morals of democracy and freedom, should not be engaged in a kind of “dialogue”, as critical as it may be, with a country which consistently violates basic human rights, opposes the Middle East Peace talks and allegedly finances international terrorism. In contrast, supporters of Critical Dialogue claim that a strategy of dialogue, instead of confrontation, may strengthen moderate elements in Iran and tie them to the West. Finally, there are those who assume that this policy is merely a pragmatic one, motivated by economical calculations (i.e. European dependency on Iran) and reflects the lowest common denominator policy of the EU- the consequence of the complicated CFSP intergovernmental mechanism.

The Critical Dialogue is a classical case study of the EU Middle Eastern policy, since it combines three major aspects related to the internal and external obstacles of CFSP as pointed out in this paper: the Union’s failure to assert itself as an international actor due to a political-military weakness, its economical dependency, and European-American contradictory approaches towards Middle Eastern issues.

4.5.1 Definition

Ever since the time of ancient Greece, there have been conflicts between power and morality, interest and criticism, politics and ethics, and between pragmatism
and idealism. These conflicts in international relations continue to exist today and a political actor must often face the task of having to consolidate them. This is also the case of the EU member states who have invented a concept to cover their moral and political stance towards totalitarian and authoritarian regimes: the “Critical Dialogue” (CD)- a policy joining ethics with politics, pragmatism with idealism. Both as a concept and as a political stance, CD is an essential term in the European diplomatic handbook. However, it also represents a revival of the ancient Greek culture in which both dialogue and criticism formed the foundations for the entire intellectual and political structure of society. This culture re-emerged during the Renaissance, during the age of enlightenment, and again in our own time with everything inherent in the concept of modernity in its correct and purest meaning: criticism, and critique of criticism.

According to Taylor, the expression “Critical Dialogue” in its modern form suggests,

“a discussion between two or more entities in which each presents its own positions, along with positive and negative arguments about the stances of the other. Because it is designated as a dialogue, in which a statement by one side generates a related response from the other, there should be a flow of connected messages rather than a series of assertions”.

Taylor points out at two focal points in CD. The first is that the exchange takes place between two entities without one side having a presumed stronger position or superior standing. (Thus, the dialogue suggests that Iran is of a similar status to the EU: they are dialogue partners). The second is that dialogue does not appear a threat to either party. Supporters of CD claim that it offers clear prospects of improved policy effectiveness since a state which has become accustomed to hearing another government speaks frankly and accurately on one set of issues should be predisposed to listen carefully to what it has to say on other issues. This thought could be particularly valuable when a state wishes to play a mediating role in a dispute, as Germany did successfully in 1996 and 2004.

344 Ibid.
between Israel and the Hezbollah on an exchange of prisoners and combatants remains.

4.5.2 EU versus U.S. Policy

Since the 1979 Islamic Revolution, the United States has considered Iran to be a direct threat to its national interests. It is concerned about Iran’s efforts to develop nuclear weapons, its support of terror activities abroad, and its opposition to the Arab-Israeli Peace Process. Furthermore, the image of Iran in America is still conditioned by the 1979 U.S. Embassy hostage-taking, and by the sight of mobs denouncing America as the “Great Satan”.

The EU, on the other hand, sees Iran as a complicated partner, but at the same time as the most politically pluralistic state in the Gulf. The Union believes that Iran serves as an example that democratisation will always be a complex and complicated process, never a linear one, and will always be marked by contradictions and occasional throwbacks. Nonetheless, Europeans think that change will come slowly and through spill-over effects from economic liberalisation, through the latter’s policy of engagement.

Strong controversies between the United States and the EU regarding the appropriate policy towards the Iranian regime first appeared at the July 1992 G-7 summit meeting in Munich, where the Americans proposed a strong condemnation of Iran’s foreign and internal policy. The censure was cancelled due to European, and especially German opposition. A few months later, in December 1992, the first European Council statement relating to CD was issued at the EU summit meeting in Edinburgh. The statement was designed to be a common European policy towards Iran, in the belief that “quiet diplomatic pressures accompanied by generous economic advantages would convince the Iranian regime to soften its stand on the main conflicting issues.” France and Germany led and pushed forward the group of countries in the EU who believed

347 Ibid.
in the success of this strategy. Klaus Kinkel, German Foreign Minister at the time, was one of its major supporters.

The Edinburgh Declaration issued at the end of the EU summit read as follows:

Critical Dialogue: “Given Iran’s importance in the region, the European Council reaffirms its belief that a dialogue should be maintained with the Iranian government. This should be a critical dialogue which reflects concerns about Iranian behaviour and calls for improvement in a number of areas, particularly human rights, the death sentence pronounced by a Fatwa of Ayatollah Khomeini against the author Salman Rushdie, which is contrary to international law, and terrorism. Improvement in these areas will be important in determining the extent to which closer relations and confidence can be developed…”

WMD: “The European Council accepts the right of countries to acquire the means to defend themselves, but is concerned that Iran’s procurement should not pose a threat to regional stability….”

Middle East Peace Process: “In view of the fundamental importance of the Middle East Peace Process, the European Council also expresses the wish that Iran will take a constructive approach here.”

Five months later, in May 1993, the United States adopted its own policy, known as “Dual Containment” (DCP), for containing both Iran and Iraq at the same time. DCP designed to neutralize the threat of Iraq under Saddam Hussein and to induce the Iranian regime to change its behaviour in those aspects of its policy considered unacceptable by the American government. During spring 1995, under strong congressional pressure, the Clinton administration announced a total trade embargo on Iran. This was,

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348 Ibid.
350 For a discussion on the DCP (Dual Containment policy) see Millward, Containing Iran, Commentary No. 63, a Canadian Security Intelligence Service Publication, Nov. 1995.
“a response to Iran’s fierce opposition to Arab-Israeli reconciliation and support for anti-Israel terrorists, its encouragement of antigovernment forces in moderate Arab states, in resort to assassination and other forms of brutality to stifle opposition, its demonization of the West in general and the United States in particular, and its pursuit of non-conventional weapons capabilities.”

The repeated appeals of the United States to Europe and Japan to join the DCP and to put pressure on Iran were rejected by both. The EU made it clear that it preferred to continue a dialogue with Tehran rather than resort to punitive measures. Though the European Union shared the United States’ concerns, it found the latter’s “balance of power” approach toward Iran unproductive. While accepting that Iran illegally pursued and killed its own citizens abroad, and supported terrorist strikes in the Gulf and against Israel, it did not share the U.S. perspective and saw Iran in particular as often seeking to avoid confrontation with the West. The EU also expressed its belief that “there are moderates in the Iranian regime whose position can be strengthened.” This contradicted the American stance that “searching for moderates in the Iranian regime is a particularly fruitless exercise.”

The first sign of possible change in the European approach appeared at the G-7 Summit (plus Russia), held in Halifax in June 1995, which in its final resolution urged the Islamic Republic for the first time to abandon and condemn terrorism. This time, the Europeans seemed prepared to put the firm stand presented by the western allies into practice. At the EU Council meeting in Paris, in the framework of the “Critical Dialogue” with Iran held the same month, they urged the Iranian side to publish a formal statement renouncing the implementation of the Fatwa against British author Salman Rushdie; they also raised the subject of Iran’s opposition to the Middle East peace process and asked to end all support to the terrorist organizations assaulting the process. The Iranian regime sensed a genuine resolute European attitude and feared to be isolated and to bear all the political, economic and internal consequences of the new situation.

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352 McNamara (1996).
353 Ibid.
But the Iranian apprehensions proved to be short-lived. The next G-7 meeting in Lyon in June 1996 adopted some measures of cooperation in the field of counter-terrorism, but did not mention the Iranian involvement in international terrorism. In August 1996, President Clinton signed the “Iran-Libya Sanctions Act” (ILSA)—a law that sanctions foreign investment in Iran or Libya’s energy sector. It was to sunset in August 2001, but was renewed for another five years.

Since April 1997, when a German court found that Iran’s top leaders had ordered the 1992 assassination of Iranian dissidents in Berlin’s Mykonos Restaurant, European governments have become more aware of Iran’s unacceptable behaviour. However, the increasing recognition in European capitals of problems in their relationships with Iran did not lead to significant change in European policies toward the Islamic Republic. Moreover, after the arrival of the Iranian reformist President Khatami in 1998, the EU’s dialogue was quickly thawed out. Khatami’s speeches about “religious democracy”, “civil society”, and “the rule of law” seemed to attract Europeans, as well as the Iranians themselves.

Over the following years, EU relations with Iran have been developing in a positive direction, and the EU has been engaged in a comprehensive dialogue with Iran, which has been a more flexible version of the critical approach the EU had vis-à-vis the Rafsanjani government. This dialogue, in the form of semi-annual Troika meetings at the level of Under-secretary of state/Deputy Minister, was established in 1998. The political part of the dialogue has covered issues regarding regional conflicts, including the Middle East conflict, non-proliferation of weapons of mass destruction, human rights and terrorism. The EU also decided to explore possibilities for cooperation with Iran in the areas of energy, trade and investment, refugees and drugs control.

The policy has not been substantially changed in the years that followed, although there have been increasing voices within the European Union repeatedly calling upon the Council and Commission to follow developments in Iran, especially in the human rights domain, more closely. Such voices have often come from the
European Parliament where some of its Members have emphasized the importance and necessity of a more effective critical policy vis-à-vis Tehran.\(^{354}\)

The war on Iraq, the collapse of Saddam Hussein’s regime in 2003 and the following U.S.-EU dialogue on Iran’s nuclear capacities intensified pressures for change and opened new opportunities to promote democratisation in Iran. Already in February 2003, the EU demanded "more concrete results" from Iran in return for its "constructive dialogue". EU External relations Commissioner Patten made clear that the EU’s circumspection over Iran’s human rights record could not go on forever, and warned that the bloc might be forced to adopt a more critical approach if its engagement secured no progress. "This policy is now entering a new phase where, in order to progress, it must become more dynamic and deliver more concrete results."\(^{355}\) Among rights concerns, Patten singled out torture and execution by stoning, (which remains on the statute books in Iran as a punishment of adultery, although it has been very seldom imposed in recent years), and the adoption of an anti-torture bill.\(^{356}\) In April 2003, the EU ordered the clerical regime to give weapons inspectors “urgent and unconditional” access to its nuclear facilities. Lining up behind the United States, EU foreign ministers voiced “serious concerns” that Iran’s atomic energy programme was being used to conceal an attempt to build nuclear weapons. They called for unrestricted cooperation with the IAEA, stressing the need for Iran to answer “timely, fully and adequately” all questions about its nuclear programme. Moreover, for the first time, the EU backed pre-emptive military strikes against states developing weapons of mass destruction, provided it is done with the full backing of the United Nations Security Council. An EU statement said “coercive measures could be envisioned” as last resort if diplomatic efforts have been exhausted and weapons inspectors are unable to do their job.\(^{357}\) Though couched in cautious language, diplomats said the communiqué was a clear warning to Tehran that it could not count on Europe to undermine the increasing pressure from Washington. Fearing isolation with all the economical and political consequences

\(^{354}\) For example the European Parliament Resolution on Iran (1.2.2), EU Bulletin, Nov. 2002, Human rights (2/4). In this resolution, the EP called for the death sentence against Mr Aghajari, an academic and prominent member of reformist movement, to be suspended immediately or commuted on appeal in line with the International Covenant on Civil and Political Rights.


\(^{356}\) Ibid

\(^{357}\) EU calls on Iran to open Nuclear Sites, 17 June 2003. www.telegraph.co.uk.main.
of this situation, and concerned of becoming the next American target, Iran decided in November 2003 to fully comply with the IAEA. This included immediate implementation pending the entry into force of an additional protocol to its safeguard arrangements and the suspension of all enrichment-related and reprocessing activities.\(^\text{358}\)

The dramatic shift in EU policy shows how far Brussels has gone since the Iraq war to align its strategic thinking on weapons proliferation with the Bush administration, even though Saddam Hussein’s alleged biological and chemical arsenal is still proving elusive, more than a year after the collapse of his regime.

4.5.3 Motives

“State preferences are driven by economic interests…”

Andrew Moravcsik \(^\text{359}\)

According to some EU officials, Iran is not a threat to international security and economic sanction is not an effective tool for changing its behaviour. Yet, how much of this stance towards Iran indeed reflects its convictions about the policy’s efficiency? Is it, as some may argue, merely a pragmatic approach bound to economical considerations and political interests?

Empirical findings in international relations point to the fact that political actors are often bound to behave according to their premises, (for example limited military and economical power or dependency on import). The EU certainly fulfils these criteria. Yet, assumptions linking European foreign policy behaviour towards Iran to economical and political interests have been consistently rejected by EU policy makers in the past few years.

Romano Prodi, President of the European Commission argued for example that,

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\text{“the desire to link foreign policy decisions to trade relations is a mistake in theoretical academic analysis. There are principles, which must be defended at}\]

\(^{358}\) Iran protested, however, that a nuclear power station it is developing with Russian assistance in the southern port of Bushehr is for peaceful purposes only and is subject to IAEA safeguards. \(^{359}\) Moravcsik (1993): 483.
all costs and the defence of which offers greater advantages than those deriving from any business contract, however large.”

Despite Prodi’s statement, it would be false to claim that the CFSP is not motivated, at least partly, by certain calculations. The EU is dependent on Iran as one of its main energy suppliers. Iran has the second largest gas reserves in the world (16% of total world reserves) and third largest oil reserves (10%). Had an embargo on Iran been initiated, one could have foreseen serious energy supply problems in Europe disrupting most EU economies and even creating repercussions for the stability of EU as a whole. Furthermore, the Union’s policy gives European firms and companies a chance to gain economic footing in a country which starves for an economical engagement and investment due to the U.S. economical boycott as part of its DCP. Europe gains therefore not only an advantage of “neutrality”, but also benefits from the great Iranian economical potential. As a matter of fact, any imposed economical sanctions would have been unproductive for the EU: the greater the cost of isolation and sanctions to the initiating state, the more reluctant it will be to endorse them. Sanctions on Iran by EU States would have been very expensive in terms of foregone economic opportunities and of Iranian debts to EU member states. Taking for example the Iranian debts to Germany (1998 stand $ 8.5 billion), these were unlikely to be repaid while the sanctions had been in place. Moreover, several EU states are suppliers of oil industry equipment: sanctions would have threatened difficult disruptions of this trade.

It is therefore possible to argue that the Critical Dialogue is merely the consequence of the complicated CFSP intergovernmental system. It provides the comfortable “diplomatic” solution of a “Lowest Common Denominator”, a “middle-option”, which reconciles pragmatism with an apparent “idealistic” approach: It is a political dialogue seemingly designed to “soften problematic regimes”, and “tie them to the west” but which, alongside, allows the European member states to enjoy great economical and political benefits. It can also be assumed that an alternative to Critical Dialogue (i.e. sanctions) would not have

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361 www.cia.gov/cia/publications/factbook/geos/ir
362 www.iranonline.com
been possible; after all, “member state national preferences are best explained by economic interests.”

States within the Union benefit from a joint European policy towards Iran: by adopting a “reactive” common policy, not only that constituent, small Member States are exempt from the task of conducting their own policy over Iran, but also from entering into a conflict with the latter, since the policy is one of the body to which it belongs and not its own. (“Shield Effect”).

Dealing with the EU apparent motives in its relations with Tehran, the question of morality in political behaviour can be long debated. Since this is not the aim of this research, it would be enough to argue that a policy based upon pragmatic considerations is legitimate and reflects a rational choice of political actors in international relations, who are bound to behave the way they do. However, one may also cynically wonder “whether critical dialogue is not more than a fig leaf for the EU states materialist approach.”

4.5.4 Consequences

Despite of American criticism and allegations of economical motives, the EU persists in continuing its policy towards Iran, arguing feebly that it is a better tool than sanctions; it claims that the dialogue is meant to engage Iran in a constructive discussion on human rights, support the moderate Iranian politicians, and prevent the conservatives from further radicalisation. To demonstrate the effectiveness of their policy, some high ranked European politicians have pointed out to some of its positive results during the 1990s. French President Chirac, for example, claimed in March 1996 that because of the European dialogue a certain number of Iranian citizens of Jewish origin against whom sentences had been passed were spared. In April 1997, Germany’s Foreign Minister Kinkel listed a number of political achievements, including Iran’s adoption of the Chemical Weapons Convention, and a moderated discourse about Salman Rushdie. However, more than twelve years after the launching of the critical dialogue, any concrete results

365 Taylor in: Behrendt(2000): 261-
have yet to be seen; although Iran has made some positive changes in recent years, its human rights record still gives cause for concern on issues such as the position of women, allegations on the use of torture, persecution of certain minorities and suppression of press freedom. In the foreign policy domain, Iran still opposes the Middle East peace process and allegedly supports terror organisations in the Palestinian territories and Southern Lebanon.\(^{367}\)

To understand the apparent European failures in their Iran policy,\(^ {368}\) it is imperative to stress again the fundamental problem of Europe’s weak foreign policy performance: Throughout the years of the EU-Iran interaction, the former has refrained from imposing any concrete threats on Tehran such as economical sanctions. Instead, it has criticized Iranian behaviour through vague declarations in which it merely expressed its “deep concern” or “regret” about certain issues (mostly on issues of human rights),\(^ {369}\) but nothing more. The soft rhetoric left no doubt about the fact that the EU had no intentions to change its policy towards Iran. On the contrary, relations with the Islamic Republic have deepened in the past few years by new rounds of negotiations, designed to reach a new EU-Iran cooperation and trade agreement.\(^ {370}\)

Apart from the problematic nature of the CFSP mechanism, experts on Iran have also been pointing out other reasons for the failure of the dialogue: Taylor claims, for example, that any eventual failure relies on the fact that it has not been serious enough:

\(^{367}\) In 2002, the European Council issued at least two statements calling on Iran to promote and protect human rights, to sign the non-proliferation Treaty and to implement UNSCR 1373 on terrorism. (17 June & 13 May 2002, Iran- European Council conclusions: in: www.europa.eu.int (external relations- Iran). A few months later, President Bush counted Iran (together with Iraq and N. Korea) to what he perceived to be the “Axis of Evil”.\(^ {368}\) At least until 2003: as noted in this chapter, after the fall of Saddam the EU ditched its “soft” policy towards Iran, lining up behind the United States’ “tougher” policy.\(^ {369}\) See for example the EU Declaration concerning the verdicts against Iranian intellectuals for their participation in a conference on Iran in Berlin in April 2000, Brussels, 16 January 2001-p11/01 press release: www.europa.eu.int/comm/external_relations/iran.\(^ {370}\) On 12 December, 2002, Iran and the EU began formal negotiations on a trade pact that would lower the tariffs or increase quotas for Iranian exports to the EU countries. The EU has defended the trade talks it launched in Brussels, saying that it is also conducting a parallel dialogue on human rights and foreign policy concerns. The two were a “single, indissociable package”.\(\)
“On a broad or deep enough front the EU critical dialogue focused only on twice-yearly meetings of the Troika with senior representatives of the Iranian Foreign Ministry,

The EU diplomatic representations must have had a formal character, which does not fit easily with the free-flowing intellectual activity which might be associated with the term dialogue,

The content of the discussions with Iran was understood to concentrate, not on fundamentals such as human right, but on actual issues, such as the Fatwa on Salman Rushdie and support for the Arab-Israeli peace process, which dominated the contemporary diplomatic agenda.”

In the past few years there has also been criticism on the American policy towards Iran: some American policy analysts and corporate leaders were urging the U.S. government to abandon it because European corporations were gaining economic footing at the expense of U.S. corporations. American firms put into question the limits and benefits of sanctions regimes that hurt United States companies and appear to stretch on indefinitely without measurable results. Particularly in the past six years there were calls for a new political concept of engagement with Teheran instead of isolation; its supporters claimed that the United States must recognize that almost all of its allies are now engaged in trade with Iran; if the United States, too, became involved, there would be incentive for the Iranian government to cooperate with the U.S. Accordingly, by establishing a co-dependent system of trade, an engaged Iran could be more willing to address America’s concerns. The U.S. engagement of Iran in world economy would enhance its ability to pursue solutions for issues such as Iran’s alleged support of international terrorism, weak human rights record, and Iran’s construction of nuclear weapons. These arguments, however, have not moved Congress nor the State Department which stated their belief that,

“ideally sanctions are an effective compliment to (our) diplomatic efforts to convince aggressive states to abandon their threatening activities. By closing Iran’s market to U.S. companies, we have lost some business. But the behaviour we are trying to change also carries a large potential cost. International

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cooperation for our approach would undeniably boost our impact. But, in the absence of such support, we will continue, in a bipartisan fashion, to exercise American leadership to amplify the message and to increase the cost to Iran.”

To sum up, it can be argued that both European and American policies are meant to push Iran towards substantial changes in its internal and external policy. There are many different opinions (pro and contra) regarding the EU policy, but it would be impossible to present them all in this paper. In short, however, one may differentiate three major approaches:

1. Supporters of the European policy point out to the fact that some positive changes in Iran, little as they were, may not have occurred had Europe abandoned its policy towards the former by adopting the American one.

2. In contrast, opponents of Critical Dialogue (often, supporters of the containment policy) are persuaded that any positive changes which occurred in Iran in the past years, including the latter’s compliance with the IAEA requirements in 2003, would not have been possible without a tough American tough approach towards regimes such as the former.

3. Critics of both EU and U.S. politics claim that neither “Dual Containment” nor Critical Dialogue had significantly succeeded in changing Iranian behaviour; most changes in Iranian foreign policies, little as they were, came from within long before the American and European initiatives; “Iran began to reduce tensions with foreign countries in 1990 in order to end its political isolation and pave the way for foreign investment. Domestic changes were also caused by the internal dissatisfaction with the social, cultural, and economic policies in the 80s and the 90s.”

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373 According to Struwe, “had the two policies been compatible and used in consort, their impact might have been different”. Not being so, the dialogue gives Iran the chance to play the EU off against the U.S. and fails to deliver a coherent message from the West towards the Iranian regime.” Struwe (1998):3.
5. A role for the EU in the Middle East

The following part of the dissertation will attempt to carve out a constructive role for the EU in the Middle East region. While acknowledging the complicated premises of the Union as noted and discussed in parts one and four, it will offer practical and distinctive suggestions that will take into consideration the Union’s capabilities and potentials. The chapter will attempt to close the “Expectations-capability gap” by sketching a more realistic picture of what the EU can do than that presented by either by its more enthusiastic supporters or by demanders beyond its borders. The suggestions offered will extend from the issue of the EU role alongside the U.S., further to a re-assessment of its policy vis-à-vis other players, and up to recommendations for constructive actions in the wider Middle Eastern region in general and in the Israeli-Palestinian peace process in particular (for example the EU financial assistance).

The ideas expressed in this chapter are designed to stimulate a new, realistic CFSP approach towards the Middle East region, instead of concentrating on the more tedious work of crafting the endless necessary compromises between national interests and the long-run requirements of a working international system.
5.1 EU and the MEPP

5.1.1 EU - U.S. - Joint Strategy or a Complementary Role?

As stated in part 4, since the 1991 Madrid conference certain American politicians have interpreted increasing EU intervention in the mediation of the Israeli–Palestinian conflict above all as an effort in anti-Americanism. John R. Bolton, Under Secretary for Arms Control and International Security, argued for example that “to the extent the EU is driven, the major consequence will not be a peaceful settlement in the Middle East, but the exacerbation of trans-Atlantic tensions”.

In the past few years, however, there have also been signs of American acceptance, to a certain extent, of a European role in world events: a crucial paragraph in chapter VI of the U.S. Department of Defence Report issued in December 2000 (entitled “Strengthening Trans-Atlantic Security”) illustrated that America was ready to adapt to enhanced political unity between NATO member states, whilst maintaining its “leadership role”:

“…America’s leadership role has adjusted before to changes in Europe and is prepared to adapt itself in the future to work with stronger, more versatile and more united European partners.”

The report referred to the common interests in maintaining uninterrupted access to regional energy sources, curbing the development and proliferation of WMD weapons, ensuring the success of the Middle East peace process and combating terrorism. It stated that despite differences with their Allies over particular aspects of these and other regional issues which are explicable by differing cultural and historical ties, as well as economical interests, U.S.-European cooperation

“…is essential to build stronger support within the region for the MEPP. European states can play an important role in encouraging both sides to take the difficult but necessary steps to just and lasting peace.”

In a typically American idealistic refrain, the report concluded that the U.S. and the EU should cooperate, sharing their collective experience “to lessen tensions, improve confidence and build positive security relations among all parties in the Middle East.”

Nonetheless, to what extent can American proclamations in favour of cooperation with the EU be taken seriously? Zbigniev Brzezinsky, former U.S. National Security Advisor (under President Carter), claimed that,

“…these proclamations will remain devoid of substance unless the U.S declares, without ambiguity, that it accepts all consequences linked to the new status of a united Europe and that it makes clear that it is ready to act in consequence.”

He maintained that,

“…a real partnership signifies a sharing of decisions as well as responsibilities. An engagement by the U.S. in this direction would help to revive the transatlantic dialogue and would force Europe to give flight to higher international ambitions for the Union.”

However, Brzezinsky rejected the notion that the EU is capable of surmounting the diversity of its national traditions to form a homogeneous political entity with real weight in international relations. He referred to the intensity of the historical roots of European nation-states and their decreasing enthusiasm for a supranational Europe as key factors distinguishing the pre-existing conditions of the European integrations project from those existing at the time of the creation of the United States.

From its part, the EU has been keen to refute suspicions that it seeks to challenge the mediating role of the United States in the Israeli-Palestinian conflict. The 1998

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378 Ibid.
379 Ibid.
381 Ibid :105.
European Commission’s “Marin Report”, for example, denied that its proposals for mediation between Israelis and Palestinians could be interpreted as a challenge to the role of the U.S., “in recognition of Europe’s weak political identity in comparison with the present determining role of the U.S., rooted in the past, and which will continue in the future.”\(^{382}\)

Alternatively, the report proposed that the principle of *complementarity* should be adapted to take into account the expansion of the EU’s role in the conflict. Two practical gauges of a European role were envisaged by the Report: firstly, in participatory terms, the Union should be recognized by all parts as supporters of the negotiations between the parties in the conflict, alongside the U.S. Secondly, the EU’s role in the coordination of financial aid ought to be strengthened, because the Union is the main net contributor to the peace process. In other words, “the basic shareholder should be the key co-ordinator.”\(^{383}\)

Similarly, Chris Patten, the Commission’s External Relations Commissioner, has in the past few years repeatedly expressed his view that,

> “…because the EU affords over 50% of total assistance to the Palestinians, most future donor coordination meetings should be held within the European Union, co-chaired by the European state hosting the meeting.”\(^{384}\)

However, since the failure of the Camp David Summit and the collapse of the peace process in September 2000, stronger voices have been raised within the EU, demanding not only a recognition of the latter’s complementary role in the conflict, but also the possibility for a joint sponsorship of the Middle East peace process. The Bush administration responded to these demands in 2001, by creating the so-called “*Quartet*”: an international forum comprised of the United States, the European Union, Russia and the United Nations.

Initially, the concept of the *Quartet*, as an institution, was widely welcomed

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383 Ibid: 16.
384 At a speech in Strasbourg, Patten remarked that the role of the EU was not confined “to that of a banker although it was important to realise that a comprehensive Middle East peace deal comes with a hefty price tag”. October 1999.
...because it provided a collective umbrella that tied the United States and Europe (as well as the UN and Russia) together in an effort to halt the history of competing peace initiatives and policies in the Middle East.385

On 30 April 2002 the Quartet members officially presented the “Road Map for Peace in the Middle East”. However, as expected by many sceptics, it failed to hold to its schedule and achieve its objectives. Even the regime change in Iraq did not provide the necessary swing to the process.

Indeed, it would be unwise to assume that the “Road Map” will develop into anything more than yet another Middle East peace fantasy. The “Quarter”, with all its importance and glamour as an international forum, was called into life mostly as an American response to European and U.N frustration and helplessness vis-à-vis the turmoil in the Israeli-Palestinian conflict. Behind the scenes, however, the old differences re-emerged, and the United States managed to retain its position as the sole international actor capable of bringing about a breakthrough in the conflict.

Having said that, one may assume that despite some “diplomatic” proclamations from the side of the American administration in favour of joint strategy and cooperation with the EU in the MEPP, the complementary European “low politics” efforts to reduce tensions (i.e., through financial aid) still appears to be more acceptable to the Americans than an inclusive political framework that would challenge its role in the region. In this respect, the U.S. applauds EU initiatives in the region only insofar as these can be benefited from to further its own diplomacy efforts in the peace process.

In spite of the empirical evidences (such as the lack of seriousness of the “Quarter” initiative), is there still a realistic chance for a U.S.-EU joint strategy in the near future? can such a strategy prove itself efficient in the MEPP? Some analysts believe that a joint strategy would open up possibilities not available through disjoined strategy, especially greater pressure on Israel and the Arabs to get on with the quest for peace. David Green, director of the Centre for

Middle East Public Policy, suggests that a joint U.S.-EU strategy aimed at neutralizing the region’s weapons of mass destruction (WMD) dangers would address the most severe threat that both Israel and its Arab neighbours face. He believes that a united U.S.-EU front categorically opposing Russian nuclear and ballistic missile cooperation with Iran could do more good than “the limp and lonely opposition mounted thus far by the United States, which the Russians and other former Soviet countries have essentially ignored.”

Beyond protecting shared interests, a joint strategy might make more realistic the long-term goal of reforming the Middle East region and integrating it with the progress of the rest of the world.

Nonetheless, relying on the findings of this paper, it is to assume that the chances for a joint U.S.-EU strategy are low. As noted in the theoretical part of the dissertation, the nation state is the principal actor within the EU, and it is ready to cooperate with the other European member states only as long as this serves its interests (or: does not harm its interests). The same can be said about the U.S.-EU level of intergovernmental bargaining: these two international actors would agree to formulate a joint strategy, the power of which laying not only on the paper, only as long as their respective interests would not be harmed as a result of it.

It is therefore possible to compare Moravcsik’s two stages of European intergovernmental inter-action to the U.S.-EU level: In the first stage, there is a “demand” for a U.S.-EU cooperation, hence a joint strategy in the Middle East, because of common interests (i.e. economical, political or strategic interests). In the second stage, U.S.-EU cooperation is “supplied” by intergovernmental bargains bound to the different premises of each actor (i.e. economical dependency, political interests). Of course, the two actors act rationally, first and foremost when they form their preferences. These preferences as well as the flexibility in the negotiations are shaped by “an assessment of potential gains in terms of costs and benefits.”

387 Ibid.
388 Compare: Chapter 1.3 Intergovernmentalism/Liberal Intergovernmentalism.
To illustrate, one may theoretically assume that the EU would not risk the relations with one of its main energy suppliers (Iran) for the sake of a “common strategy” with the American administration. Similarly, the EU cannot expect the United States to conduct a kind of policy in the Middle East which complies with its own: not only that the United States would not be willing to give up its exclusive role in the Middle East, it would certainly not endanger its economical, political and strategic interests in the region for the sake of a joint strategy with the European Union. Also, the United States is fully aware of the EU’s weak foreign policy performance: as already noted, Europe as a Union has not been able to produce a common foreign and security policy going beyond the present intergovernmental model. The EU either lacks the authority to support its points of view or has no common views at all (like in the 2003 Iraq war). This fact has been acknowledged not only by the Americans, but also by other political actors in the Middle East including Israelis and Palestinians. The basic strategic option remaining for the EU therefore to join forces with the United States in the Atlantic Alliance or bilaterally, even when they do not share or do not completely share the American point of view, and this sometimes work. Ultimately however, if their point of view is not accepted, all they can do is share American policies and support them concretely - if such support is accepted by the United States - or maintain a low profile, according to domestic factors or ideological propensities. This implies in turn that quite apart from the more or less unilateralist mood of preceding and current U.S. presidents, the Europeans are often irrelevant to the Americans with respect to policies the United States can implement in the Middle East without their support.

What is needed from Europe in order to get out of this vicious cycle is a change of approach. This means that instead of insisting on joint political strategies or seeking for a more influential political role, the EU should accept the complementary role in the Middle East. This will be the most effective option of

390 The economic interdependence between Europe and the Middle East in general surpasses that of the United States. In 1995, Europe imported twice as much of the region’s oil (10 million barrels per day) as the United States (5 million barrels per day). The Gulf supplied 24 per cent of Europe’s needs; 19 per cent of the United States. (British Petroleum, Statistical Review of World Energy). In exports, Germany alone shipped goods worth $20 billion to the Middle East in 1992, the same as the United States. Information: Wilson, Rodney: The Economic Relations of the Middle East, Middle East Journal, vol. 48, no.2,1994:269.

391 See chapter 4.2.
cooperation alongside the United States. Complementary role means that Europe should deepen and improve its activities in those areas in which it has already carved out a role for itself over the past years (multilateral, economical and cultural domain) and on which it can register some apparent progress. By doing so, Europe could function as a kind of “safety net” in order to prevent a future peace process from disintegrating.

The most important European contribution to the peace process is an effective and well-supervised financial support of the Palestinian Authority and the Palestinian society. In addition, core problems and issues that the EU can be engaged with in the Middle East in general (i.e. within the EMP frame) include economic growth, financial support to democracy and pluralism, partnership-building, soft security, water, and environmental issues. Doing the opposite, hence, working at cross-purposes with the United States in the MEPP “high politics” endangers not only the negotiations process but the EU interests as well.

A role in the “low politics” of the MEPP domain does not imply a less influential one. Europe has a comparative advantage over the U.S. in other respects and its potential contribution to the broader infrastructure of peace and stability in the region is great. This is evident in a number of areas:

§ There is the sheer power of the European example to strengthen the idea that peace, even among historic enemies, is both possible and worthwhile.

§ Europe is uniquely placed to encourage experimentation where the Europeans do have a comparative advantage: in the theory and practice of multilateralism. Apart from the European Union itself, there is a host of multilateral European agencies, providing evidence that cooperation on a variety of fields, even if limited, is possible. Therefore, the Euro-Mediterranean Partnership could be enlisted to play an even more active role in bringing the Arabs and Israelis to talk with one another and encourage the kinds of contacts between Israeli and Arab civil societies.

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that might strengthen the peace agreements already reached and encourage a more conductive atmosphere in which to negotiate those yet to come.  

§ Any agreements that are reached, whether independently or with the help of outside mediators, need to be implemented, and contractual peace needs to be sustained and consolidated in both the bilateral and regional settings. In these dimensions, the United States does not necessarily enjoy a comparative advantage, even from the Israeli perspective.  

America will certainly be called upon to underwrite security arrangements, either alone or as the leading element in any multilateral efforts, but Europe can make a major contribution to whatever economic and technical assistance is needed to support future agreements including a lasting peace agreement. Europe has already established an impressive record of economic support for the post-Oslo phase of Arab-Israeli peacemaking being the largest financial contributor to the Palestinian Authority, and in the course of its aid programme, it has amassed experience in promoting Palestinian institution building. Provided that the EU will put all the necessarily efforts to improve the management of money investment in Palestine, the contribution for the peace process can be very constructive, becoming an additional safety net that strengthens the ability of leaders on all sides to show more flexibility. In the future, such assistance will be essential to entrench peace agreements and promote the patterns of regional cooperation; i.e. the web of structural interdependence needed to consolidate formal Arab-Israeli agreements and transform non-belligerency into stable, durable peace. 

Finally, in order for the U.S. and the EU to complement each other in Middle Eastern affairs, there is a need for a spirit of cooperation. This should emerge as a response to both EU and U.S. mutual interests and concerns in the region as a whole. The closer the Middle East approximates to stability, the better EU and U.S. interests are served. The first and most important concern is the strategic interest, especially the war against international terror. For both parties, a stable

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393 See the following chapter (5.3).
395 Ibid.
Middle East, free of upheavals and turmoil, is the desideratum against a spill over of fundamentalism and terror into the West.

5.1.2 Financial Assistance

“We should deal seriously and constructively with the budgetary aspects of a highly charged political issue (assistance to the PA). Frankly, if we turn our back on this, any words about Europe having a part in the Middle East peace process are pretty worthless.”

Chris Patten, European Commission, 19 June 2002.

As noted in part four (chapter 4.3), the impact of the EU programme of assistance to the Palestinian society has been reduced by structural weakness and failures in the Commission’s programming, management procedures and systems. According to the European COA Report, the Commission’s management has sometimes focused its attention on the procedural details at the expense of the results which were expected from the actions financed. The implementation setbacks experienced by highly visible projects (such as the European Gaza Hospital and the technical assistance to the PLC), to which factors within the Commission’s control contributed, have had the consequence of undermining the EU’s image as a manager of much needed aid. These deficiencies were not unique to the programme of assistance to Palestine, but effected EU cooperation policy generally. The COA argued therefore that remedies should be seen in the perspective of a more general reform of Commission structures and procedures in this field. Accordingly, it concluded in 2000 that:

§ The European Commission should reassess its priorities: either allocating adequate resources (crucially, adequate staff and effective management information systems) to such an ambitious programme, or reducing the scope of the programme to a manageable size if the available resources are limited;

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397 Court of Auditors Special Report No.19/2000, op.cit:35.
398 ibid.
Greater authority to field offices is needed in order to improve the effectiveness of the EU cooperation policy.

The prevention and eventual detection of mismanagement could also be further improved through the reinforcement of the financial control function at ECRO, which is weak, due to the lack of staff and technical resources, such as databases. The Commission should assess its staff needs in the Palestinian territories, and, if necessary, start negotiations with Israel for an increase in the number of staff, as ECRO itself had already suggested in 1996;

An effort in rationalisation, simplification and clarification concerning management systems and procedures is urgently needed; the focus should be on the results;

As in other areas of EU cooperation policy, the split in the project cycle should be overcome. Coordination and collaboration between different services need to be substantially improved, in order to foster the sharing of responsibilities and the pooling of expertise, simplifying and shortening the decision-making process and reacting rapidly to changing circumstances.\footnote{399}

The European Commission responded to the Audit in early 2001, stating that the recommendations “would be taken fully into consideration.”\footnote{400} It announced that it had already embarked on an overhaul of the management of its external assistance programme as part of the wider Commission reform effort. The reform, it stated, “aims for enhanced multiannual programming; reform of comitology arrangements, reunification of the project cycle from identification to implementation.”\footnote{401} The Commission also announced that it would propose that the majority of EU assistance programmes, including those intended to the Palestinian Authority, would be managed by a new body, responsible for all project stages from identification to full implementation. This body, it maintained, should also remedy the very serious staff shortfalls, while terminating the current dependency on outside consultants for the fulfilment of Commission tasks.

\footnote{399} Conclusions and recommendations ibid: 36 (d).
\footnote{401} Ibid.
The Commission’s plans for a more effective management were introduced shortly after the outbreak of the “Al Aqsa Intifada” in the Palestinian territories in 2000; this certainly had an impact on the plans’ implementation. Indeed, it is not possible to confirm that any of the above mentioned Commission’s plans, including the establishment of a central body, have been implemented or realised in the past three or four years. A certain progress has been made, however: the International Monetary Fund (IMF) has become more engaged in the fiscal area of the EU money investments in the Palestinian territories since October 2000. This IMF involvement was, among other things, the Commission’s reaction to increased and on-going pressures from EP members and some NGOs to provide answers to and explanations of allegations regarding budgetary payments to the PA that may have been misused. Despite the Commission’s efforts to clear up conflicting opinions, the past four years have indicated that tensions between the latter and the European Parliament regarding EU financial support to the PA still continue.

The dissertation argues that the Commission’s management of the programme of assistance to the Palestinian society has certainly had some positive aspects and results, and has encountered considerable external constraints. However, the special local conditions in the Palestinian occupied territories and their dynamic nature require, to an even greater extent than for other developing countries, adequate resources, good interservice coordination, an authoritative presence on the ground, clear objectives, timely decisions, efficient systems and operational procedures, as well as close monitoring and control. In order to ensure better monitoring of the effectiveness of the financial support provided to the PA, as well as guaranteeing an on-going assessment of how the situation on the ground evolves and on whether new needs have emerged, the dissertation suggests that a mechanism should be introduced allowing the European Commission to report to the European Parliament on a regular basis (3-6 months) on the status of

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402 It is important to note, however, that the IMF has not been monitoring the final use of funds granted by international donors, including the Direct Budgetary Assistance granted by the EU, nor can it ascertain whether a particular spending commitment has in fact been disbursed for the reported purpose. By definition, Direct Budgetary Assistance is non-targeted aid and monitoring it would require a process of auditing, which would have had to be performed by independent auditors and which goes beyond the IMF’s original mandate.
implementation of the financial support, on any significant developments and/or on any emergencies which might require fine-tuning or re-direction of funds. Furthermore, a Direct Budgetary Assistance from the EU to the PA should take place only within the framework of an accurate, all-encompassing and transparent mechanism of external and internal auditing, to which the EU officials would be closely associated. This should be developed in a consistent manner encompassing both the Internal Audit structures in the Ministries and the External Audit function which should be performed by an independent Body accountable before the Palestinian Legislative Authority (PLC); other conditions for further Direct Budgetary Assistance as suggested by the 2004 Laschet/Wynn-Theato report:

§ Increasing transparency and deepening the reporting system should include detailed budgetary reporting for every ministry (including the financial administration of the PSS-Palestinian Security Services), monthly reports of the Palestinian Investment Fund (including reporting on every change of holdings, assets realisation, ownership transfers);

§ Abolition of the use of case in Government transactions and payments of salaries to all staff on the payroll, without exception, through bank accounts;

§ Introduction of management control standards: clear rules and procedures should be set and implemented by all Ministries aimed at enhancing the control of expenditures with the introduction of risk assessment;

§ Establishment of a monitoring system to ensure that the Palestinian President’s budget only covers his legitimate office expenditure; all other expenditure should be restricted to the competent Ministry budget section.

Alongside better-planned and properly delivered economic aid, the EU needs to wield a tougher stick in all that concerns its economical support to the Palestinians. ⁴⁰³ After all, the success of the money investment depends also on the money receiver. The EU support must be increasingly tied to conditions which may promote reform in the Palestinian Authority, in particular by contributing to the consolidation, strengthening and transparency of the PA’s public finances. Deepening the reform in the PA and improving its financial management and audit capacities is for the EU the best preventive strategy against possible misuse.

of funds and corruption in the PA. The success of this work should be acknowledged by the EU and the international community as the most substantial progress in the Palestinian reform efforts.

5.1.3 Public Relations

Another aspect that the EU should consider in the broader context of its economical assistance to Palestinian population is the visibility of its actions: Although the EU is considered by the international community as the main donor to the Palestinian society, its financial support cannot clearly be seen and consequently, is not always appreciated (sometimes even underestimated) by partners and co-sponsors of the peace process. In a Communication dated April 2000, the European Commission suggested that this problem arises due to insufficient effort on the part of the EU in attracting media attention, and added that “unlike the United States, the EU does not appoint retired high level politicians for this kind of job.” 404 It claimed that cooperation between the EU and international organisations, including NGOs, has often entailed the relegation of the EU to the position of “banker” for operations which are controlled by other organisations “whose membership and interests are not necessarily synonymous with those of the EU”. 405 The result has been that the EU has lost policy input and visibility. The Commission suggested that enhanced EU visibility should flow from “improved and more transparent policy-making and implementation mechanisms”, and recommended the appointment of a media officer, with professional qualifications and knowledge of the policies and institutions of the EU, although it has stressed that “visibility is not an aim of itself.” 406 It also maintained that internet publicity should be exploited and that the logo of the EU should appear on clothing of those involved and, where the EU is working under the umbrella of an international organisation, that “EU visibility should be part of the formal agreement.” 407

405 Lamont (2001): 95. The Commission suggested that this problem arose, for example, in the case of the 1996 Palestinian elections.
406 Ibid: 95. The Commission suggested that this problem arose, for example, in the case of the 1996 Palestinian elections.
407 Ibid.
Up to date there is no indication of a meaningful improvement in the EU “PR domain.” Further actions should be therefore undertaken: the more the EU works to achieve the objective of visibility, the more its contributions will be appreciated by both the partners to the peace process and its other co-sponsors. Moreover, it is to be assumed that intensive European PR campaigning would contribute to EU efforts in the peace process.

5.1.4 Palestinian Institutions

The Palestinian society demands particular support from the international community. Years of exile, political and military struggle, occupation and lack of political culture and education have marked a society which now has to develop institutions and political bodies. The process is being hardened by the current political situation in the occupied territories.

Despite the complicated circumstances, the EU should further assist the Palestinian Authority financially in building and/or strengthening its institutions in line with the above-mentioned recommendations (COA 2000/01 and Laschet/Wynn-Theato Report 2004). At the same time it is clear what Europe should demand from the Palestinian side in exchange for this support: the absence of the rule of law in the Palestinian territories and the corruption within the Palestinian Authority is unacceptable; support and investment should be thus conditioned to the respect of certain minimal rules. This said, there must be a political pressure to democratise Palestinian Authority institutions and the future Palestinian state.

§ The EU could propose a Palestinian constitutional assembly, and/or assist in writing a constitution in which the responsibilities and mandate of the executive, legislative and judicial powers are clearly defined;

§ The EU could establish a democratic participatory politics and a pluralist society by strengthening the position of the Palestinian Legislative Council (PLC) which has been consistently marginalized by the Palestinian Authority in decision making. PLC should exercise enforceable oversight.

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408 This is reflected, for example, by the fact that no considerable reference is being made by international/European media to the EU budgetary assistance to the PA.
and decision-making authority, and be responsible for receiving and implementing the external audit findings of a statutorily established General Control Institute.\textsuperscript{409}

Some within the EU suggest that in order to promote democracy in the Palestinian society, the Union should consider supporting a Palestinian referendum on an eventual Israeli-Palestinian agreement. However, the EU must take into consideration the fact that such a referendum can have a negative impact: if the majority of the Palestinians supported the peace agreement, it would give extremists a clear sign that they lost their legitimacy amongst the Palestinian society. However, a democratic referendum can always lead to the abolishment of any agreement, in case of a refusal by the majority of the Palestinians. The EU should thus carefully assess whether a referendum on that matter should be encouraged.

Organisations such as Medical Relief Committees, the women’s committees, the Agricultural Relief Committees, community libraries, first-aid centres, legal aid programmes, Arab Women’s Federations, Youth Clubs, Labour Unions and the Palestine Red-Cross provide essential community services. The stronger these organisations become, the more the Palestinian society will develop. An EU monitoring system may facilitate and better organise the efficiency and cooperation between the different European NGOs and organisations present in Palestine.\textsuperscript{410}

Even in the case of the just peace scenario, the Palestinian state should be supported by the EU in further building up its administrative capacity and strengthening good governance. Priorities in cooperation programs depend on which scenario would unfold. In general however, one could say that small-scale economic programs to increase economic independence as well as human rights and democracy programs would be most welcome.


\textsuperscript{410} It should be mentioned that many European NGOs have been present in the Palestinian territories, notably in the past twelve years.
5.1.5 Human Rights Organisations

Prof. William Van Genugten (University of Nijmegen) recommends that the EU establish a human rights monitoring mechanism in Israel and Palestine which will monitor compliance on an annual basis with article II of the Euro-Mediterranean Association Agreements. This, he believes, would make it possible for the EU to enforce human rights compliance by Israel and the Palestinians. Van Genugten asserts that the Human Rights mechanism, in form of a fact-finding committee lead by independent juridical experts, will rely partly on local and international NGOs. Equally, Gerd Noneman, editor of “Middle East: an integrated communities approach” believes that the EU can play a major role in pressuring Israel and the PA to respect internationally accepted standards regarding human rights: “This is a realm in which the EU can and must operate regardless of any political agenda for Israel and the Occupied Territories, and for which there already exist established international norms and accords.”\(^{411}\)

However, the latter suggestions seem to ignore the fact that in both Israel and the Palestinian territories there are already several governmental organisations as well as NGOs in charge of controlling cases of human rights violations. Organisations such as UNESCO (United Nations) and NGOs like the Israeli “Betzelem” operate on the ground and publish their reports annually. There is thus a danger that the EU would act in an area already covered by other organisations, leading to a multiplicity of actions which has proven to be contra-productive in Middle East peace efforts in the past. European efforts to become a central human rights monitoring body would also undergrade UNESCO from its role as the official international body responsible for human rights matters. This lies in neither the interests of the UN nor of other Human Rights organisations working on the ground. This does not mean that the EU should have no access to human rights activities, but rather that it should find a domain which can and ought to be fortified, while avoiding new institutional building. For example, there is a room for EU financial and advisory support for those groups in Israel and in the Palestinian territories, which operate for the protection of human rights, in particular those groups which unite Israelis and Palestinian Arabs in a common cause.

In other regions in the Middle East the Union can support Middle Eastern human rights groups which operate under acute constraints. These groups should be identified more precisely and be helped by both a process of recognition and in financial terms.\textsuperscript{412} The EU can offer recognition and advice, either through its successful models like the European Court of Justice, or by way of more direct support through programmes of training for judges, seminars, etc...

5.1.6 Further EU Actions

Europe can make a major contribution to whatever assistance is needed to support the future peace agreement between Israel and Palestine:

§ European Peace Keeping Forces: Crisis management and conflict prevention measures are areas of potential future European action.\textsuperscript{413} By an eventual conclusion of a peace agreement between Israelis and Palestinians, European action could, for example, be called for in a multilateral observer force, which would be necessary to assure the respect of terms of demilitarisation of the new Palestinian state, guarantee the security of both Israelis and Palestinians and deter terrorism on both sides. European engagement for cooperative security arrangements will become essential in building mutual confidence between Israelis and Palestinians, allowing for a swift transfer of territory to the Palestinian state. This could also provide a significant test for the EU’s embryonic defence identity.

§ Palestinian Refugees: Being an important donor to UNRWA, the EU should bring forward the following policy points to the Palestinians and the Israeli during an eventual peace negotiations process: 1. Israel should recognize partial responsibility for the refugee problem and allow the return of a limited number of refugees to Israel proper. 2. Acquired rights of residence in the countries where refugees have been living should be

\textsuperscript{412} Ibid.

\textsuperscript{413} The EU has dipped a toe in the water of military capacity, and it aspires to be able to mount certain peacekeeping and crisis management operations, as well as humanitarian missions involving troops. However, the EU is still in the very early stages, and there is still a doubt whether it will manage to establish a European military capacity at all. Therefore, a European peace keeping involvement in the Middle East should not, for the time being, be seen as an EU operation, but rather as a European one.
safeguarded. Dual citizenship would be one of the possibilities to make this happen. Van Genugten suggests in this respect that after the final status agreement on Palestinian refugees has been signed, the EU should offer a generous help to resettle Palestinian refugees, both in the future Palestine and in the countries where they reside as refugees.\textsuperscript{414}

Any agreements that are reached, whether independently or with the help of outside mediators, need to be implemented, and contractual peace needs to be sustained and consolidated in both the bilateral and regional settings. The experience gathered in the 1990s by the multilateral working group on regional economic development under the chairmanship of the European Union (REDWG) must be brought to fruition in a peaceful region for the future of the Middle East region. Building on this basis, the EU may support regional cooperation by forming a Middle East Council for Development and Reconstruction in the region. A regional Development Bank should cooperate with the Council.

\textsection The first strategic commodity in the Middle East is water. Since access to it differs quite widely it constitutes a source of latent instability in the region. Political agreements and ecological behaviour can help prevent conflicts that might otherwise be predictable between the Israelis and the Palestinians. It is possible to develop technical solutions, including desalination, in order to increase the supply and prevent conflict over this issue. (The EU has supported activities in this domain in foremost between 1994-1999)

\textsection The energy industry is another key sector in the region. A regional interconnection of small units like Israel, Jordan and Palestine would make a lot of economic sense. At the same time, the linking of the power supply systems would increase security because of mutual dependence.

\textsection Europe should promote regional cooperation between Israel, Jordan and Palestine in the tourism branch. In the transport field the EU can help to finance the development of a transport network in Palestine. This could consist a construction of roads, bridges, tunnels etc.

The environmental problems can be tackled on a regional scale, in view of
the population growth, but also in anticipation of an expected economic
upswing in the region. It is recommended to establish an agency to
monitor air and see pollution, as well as management of waste.

5.1.7 EU Relations with Israel

Generally one may speak about traditionally good or even very good relations
between most of the European states and Israel. The picture looks different when
it comes to the analysis of the EU-Israel relations, especially in the past few years.
One of the reasons that the EU potential in the Middle East has barely been
exploited lies in the Israeli suspicions that ought to be examined by the former,
because without a change in the Israeli position, the Union will remain effectively
sidelined. Such a re-examination is unlikely without some European effort to gain
Israeli confidence. Consequently, Israel and the EU should begin to make a
conscious effort to clarify the real differences that do exist.

EU approach:

In order to achieve bilateral confidence, a new initiative of Confidence-building-
measures (CBM) should be launched by the EU. This means above all the
development of a “know how” policy towards the Jewish State: a political
sensitivity, based, among other things upon European considerations of Jewish
traumatic experiences in Europe that preceded the State’s foundation. However,
since the EU consists of several bodies such as the European Parliament, the
Commission, the Member States themselves and so on, a change of approach
towards Israel in this pluralistic system may be complicated. In order for it to not
remain on a theoretical level it is in the hands of the European governments and
their Foreign Ministries (especially the leaders of the European big powers) to
define and work for a different policy towards Israel. The new EU approach
should include a better consideration of Israel’s security concerns and a new
concept of constructive criticism which would point upon objectivity, seriousness,
honesty and a real understanding of the Middle East conflict’s complexity.
A re-examination of the Union’s policy towards Iran would also be required. As noted in chapter 4.2.3, Israelis find it hard to accept a mediator in peace negotiations who legitimates a friendly dialogue with a country which still calls for Israel’s destruction and is alleged of sponsoring terror. For many Israelis, the critical dialogue with Tehran, which perceived insistence on placing short-term economic aggrandisement above morality, tends to compromise the EU’s efforts in the Arab-Israeli conflict. Although Israel could not expect from the Union to end the constructive dialogue with the Iranian regime, it would certainly appreciate a new mechanism of a firm and more effective dialogue with the latter instead of a “declaratory policy” which power lies only on the paper. This means first of all an intensive pressure on the Islamic Republic not to object or sabotage peace talks in the Middle East and to end sponsorship of Islamic militant groups in the West Bank, Gaza and Southern Lebanon. (i.e. Hamas and Hezbollah).\footnote{The political wing of the Hamas was added to the EU list of terror organisations in 2003.}

It is in the hands of the European Council to stop attempts of some EMP to impose a “South African style” economic boycott on Israel. Given Europe’s highly favourable trade balance with Israel, and the large volume of trade involved, this would be an economically counterproductive exercise for the EU. Perhaps more importantly, it would almost certainly be politically wrong: the Israeli government would effectively cite this attempt to isolate Israel as justification for Israeli suspicions regarding fundamental European hostility, and would thereby more effectively rally Israelis, and Jews elsewhere, around its policies.

In November 2003, Israel expressed its resentment at a European Commission opinion poll, based on interviews with 500 people in each of the 15 EU states, that suggested more European Union citizens see Israel as a threat to world peace than any other country including Iran, Iraq and North Korea.\footnote{The United States was just behind Israel in the global danger league, in joint second place with North Korea and Iran, each with 53 percent. Responders were allowed to pick more than one country.} Israel’s ambassador to the EU reacted to the poll, stating that the survey, (in which 59 percent of those polled said the country was a menace),
“reflected the impact of distorted media coverage of the Middle East conflict and served to promote a hidden agenda of those who draft the questions in a way that will suit their political ends.” He added that “Israel is not only sad but outraged. Not at European citizens but at those who are responsible for forming public opinion.”

Italy, which was holding the rotating EU presidency, stepped in to calm the diplomatic furore, saying the findings were due to a “leading question”, insisting they did not reflect the official EU position. Italian Foreign Minister Frattini stated that

“The result of the survey, based on an ambiguous question, does not reflect the position of the European Union which has been voiced on numerous occasions….The EU is all more annoyed since it is fully aware that the Israeli population is hit hard by terrorism,” it said, criticising the “false signal” that the survey sent.

This paper suggests that those within the EU who ask certain questions in polls and surveys and anticipate certain answers should also be aware of the damage created to Europe’s image in Israel. A dialogue between Israel and Europe, a continued trust in Europe and what it represents, culturally and economically, a role for Europe in solving the Israeli-Palestinian conflict, need the support of the Israeli public opinion. The conflict in the Middle East demands a more serious approach by the EU, which is not based on a bias, prejudice and ignorance. Asking general, leading and loaded questions in polls to which one gets ambiguous and irresponsible answers shows no sense and no sensibility to the Israeli side.

As enlargement transforms the European Union in the coming years, Europe will have to decide how to handle a group of neighbouring countries that possess some European characteristics but are not members of the Union, and are not likely to be in the foreseeable future. Israel may fall into this category. Judged against

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417 Eran (2003):5.Ibid.
the criteria established for membership of the enlarged EU, Israel fulfils more of the economic, social and even political requirements than many of the countries in the European continent. Moreover, it embodies a potential in areas such as research and development, medicine, science and hi-tech beyond that of the European-Mediterranean cooperation framework. Over the past few years there has been a growing sense of frustration in Israel by the fact that its structural links with Europe are tied to the 1995 Barcelona framework, in which all the members, including Egypt, Jordan, Syria and North African countries, have the same status. Gerald Steinberg noted in this respect that “this allows the EU to shove Israeli democracy and its open society under the same rubric as the repressive regimes of Egypt and Syria.”

Similarly, former Israel’s Foreign Minister Levy expressed his view on that matter stating that,

“Without taking away from the importance of Israel’s integration in the region, I wish to emphasize that Israel believes that our economic relations embody a potential beyond that of the European-Mediterranean cooperation framework. It would not benefit any of the parties if our economic ties were restricted to this framework alone.”

Upon consideration of the above mentioned qualities, it would be indeed advisable for the Union not to link each and every agreement with Israel to the prospect of the Euro-Med Agreement. Europe should hold out with Israel the prospect of a “privileged partnership”, a level higher than its current “association agreement” which would create stronger political and economical ties with the European Union, and would make Israel’s sense of security in the Middle East region stronger.

Europe should also acknowledge the unique role of Israel in the Middle East in times of peace, acting as a bridge between the western and the oriental world. This bridge will assist in the economic and political development of the countries of the Middle East, while accelerating their integration into the European and global economies. This does not mean that Europe should use Israel as a tool to

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impose economical or political approaches on its neighbours, but rather to emphasise the well-known approach in international relations that prosperity and democracy contributes to stability and welfare prevents war.

Finally, a new page in relations between the Union and Israel must not invalidate EU present policy: the Union should, for example, continue to oppose the illegal settlement policy of Israel and should continue pressuring it to allow Palestinians a free access to the European market.\footnote{Import quota by Palestinians exports that could make use of trade preferences, are by far not reached.} It should also hold on to its resolution to not import products under Israeli label which comes from the Palestinian-occupied territories.\footnote{Article 83 of the EU-Israel Association Agreement states that „this agreement shall apply, on the one hand, to the territories in which treaties establishing the European Community and the European coal and steel community are applied and under the conditions laid down in those treaties and, on the other hand, to the territory of the State of Israel.”} By doing that, the EU would neither materially contributes to the economic and political viability of the settlements itself, nor set a dangerous precedent in terms of international law (taking land with violent means).

Israeli approach:

\begin{quote}
\textit{“Behind the political criticism of Israel lies nothing other than pure anti-Semitism.”}\footnote{Interview on Israel Radio 2 (IBA), 3. Nov. 2003. Sharansky reacted to EU poll of Nov. 2003.}
\end{quote}


It would be a mistake to argue that the EU stance originates from the old anti-Semitic Europe, as if it were a congenital disease whose symptoms had merely gone into remission these past 50 years. Were that the case, one would expect a rise in anti-Semitic attacks carried out by Europeans themselves. But the violence during the years of the second Palestinian Intifada is essentially a Middle Eastern phenomenon, imported into the Continent mainly by a burgeoning Muslim population. Most Europeans, at any rate-are appalled by it. Then too, to say that the anti-Israel European Left has become anti-Semitic both overstates the case and misses the point. Overstates because, even while there’s a solid core of Israel-haters who really are anti-Semitic, many more are simply well-wishers of what they see as the legitimate Palestinian struggle for self-determination within the
West Bank and the Gaza Strip. It also misses the point because opposing Israel’s policies in the territories (or just plain opposing Israel) is just one plank in a much broader political and cultural agenda covering everything from global warming to free trade to labour policy. In this, anti-Semitism is never a premise, and only rarely a conclusion, whereas for genuine anti-Semites the malevolence of Jews is always the premise.\(^{425}\)

Israel must be forthcoming by showing a more positive attitude towards the European efforts in the Middle East region: it should recognize that although the EU support to the PA is far from being optimal (sometimes even counter-productive, as noted in this paper), it is based on a European recognition that regional development is crucial not just to Israel’s prosperity, but to its security. The help that the EU gives to the Palestinian population prevents a descent into even deeper chaos, thereby contributing to Israel’s sense of security. Furthermore, its potential contribution to the broader infrastructure of peace-building in the region is great, particularly in sustaining and consolidating agreements reached and in promoting the theory and practice of multilateralism.

Finally, instead of consistently blaming Europe and its media for a “consistent antipathy towards the only democratic state in the Middle East region”,\(^{426}\) Israel must show more appreciation to the European goodwill of the last two decades; Israel was the first country with whom the EU concluded an Association Agreement of the new generation, and was the first non-European state to be fully associated with the EU’s framework programme of Research and Technical Development (RTD). Israel is also the only non-European country which participates in European cultural and sporting events such as the Eurovision Song Contest and the UEFA games. This provides the proof that despite Europe’s critical approach, Israel is not “systematically sidelined” by the former, as some Israeli may claim, but rather embraced and accepted into many European forums as a West-oriented nation. In other words, European critique against the Israeli policy does not contradict the European good will towards the latter.

\(^{426}\) Alpher (1988): chapter 5.2.3.
“From Europe with support” Article by Chris Patten on EU-Israel relations from 28 October 2002, in:

5.1.8 The Role of EUSR

As mentioned in chapter 2.6, the EU members’ disapproval of France’s attempt at active diplomacy on their behalf may have been the European motive, in October 1996, in appointing Spanish diplomat Miguel Angel Moraines as “EU Special Representative” (EUSR) to the Middle East with a mandate to act on behalf of the entire EU. It was also a European sign that the EU was determined to play a more active role in the Middle East peace process.

Whilst this decision received much attention, it was generally greeted with scepticism. It was seen by Israel as a further sign of Europe’s desire to meddle with the peace processes and to win the affection of the Arabs by exerting pressure on Israel. The Arab states, on the other hand, questioned Moratinos’ experience as well as his diplomatic ability as EU representative to play a significant political role and to influence events. This appointment was controversial, for not only were the U.S. and Israel hostile to the idea of a political role for Europe, but the EU members themselves were divided on the issue.

At first it was unclear what Moratino’s specific functions would be and how his activities would complement the existing institutional frameworks for the implementation of European policy. It was finally agreed upon that Moratinos function would be to add a political dimension to the Union’s economic weight in the MEPP by offering “Europe’s advice and good offices first and foremost to

427 All together, the EU has six Special Representatives around the world
429 EU Joint Action, OJ L 315
430 Moratinos other positions and offices held up to date: Chargé d’Affaires at the Spanish Embassy in Yugoslavia (1980-84), Political Adviser at the Spanish Embassy to Rabat (1984-87), Director General of Foreign Policy for Africa and the Middle East (Since September 1993). Ambassador of Spain to Tel Aviv – 28 June 28- 4 December, 1996. Currently Spain’s Foreign Minister.
432 However, the appointment of Moratinos, in preference to the high profile political appointee previously envisaged by some European states, was welcomed.
Palestinian and Israeli peace negotiators but also to other states in the region). Moratino’s formal mandate was as broad as it was vague:

- To establish and maintain close contact with all the parties in the peace process, other countries of the region, the United States and other interested countries,
- To contribute, where requested, to the implementation of international agreements reached between the parties, and to engage with them diplomatically in the event of non-compliance with the terms of these agreements,
- To engage constructively with the signatories to agreements within the framework of the peace process in order to promote compliance with the basic norms of democracy, including respect for human rights and the rule of law,
- To monitor actions by either side which might prejudice the outcome of permanent status negotiations,
- To report to the European Commission.

Despite the general scepticism experienced at the time of his appointment, Moratino quickly gained the confidence of all parties to the conflict. He was careful to avoid giving the impression of an independent policymaker. He stressed the all-EU consensus over his mission, without denying the existence of individual foreign policies. He also made a point of avoiding alienating any of the protagonists to the peace process.

Moratino’s first, and relatively successful test, was the role he played in the negotiations preceding the Israeli-Palestinian agreement on Hebron reached on 15 January 1997. While Moratino was not directly involved in the negotiations, he was working quietly behind the scenes helping to bridge the gap between the sides. Conferring with top-level Israeli officials, with Arafat and with U.S. special MEPP Coordinator Dennis Ross, reportedly with the support of the U.S., Moratino helped defuse the tense negotiating atmosphere. At the request of the

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433 CFSP Site: www.eu.int/pesc/envoye/cv/moratinos/mandate.htm.
434 Ibid.
Palestinians, he handed over a letter containing guarantees by the EU to the Palestinians, which was later included in the Hebron agreement.

Moratino’s presence alongside the American delegation at the Netanyahu-Arafat summit to sign the agreement on Hebron indicated the EU’s achievement, through its Envoy, in integrating itself, if not as a major player, at least as a “complementary” one, in the peace negotiations.

In the following years, Moratinos has embarked on a number of practical, small-scale initiatives aimed at building confidence between the parties and has identified a number of areas in which the EU might contribute to final status negotiations. He has also maintained over the years a channel of communication between Israel and Syria during the time when negotiations have not been taking place and when no mediation efforts were undertaken by the United States.

Yet, with all its good intentions, Moratinos has not been able to play any significant role in the Middle East Peace Process. In Practical terms, he became merely another channel for the EU to project its involvement in the political domain of the peace process.

In July 2003, the Belgian Marc Otte was appointed as the new EU Special Representative to the Middle East.

The presence of a Special Representative to the MEPP ensures that the EU is demonstrably represented in the peace process. It enables European policy to respond to immediate needs and concerns of the parties, and to identify specific areas where Europe can undertake practical measures to help build confidence between the parties and support agreements reached. Yet, the appointment of a EUSR is perhaps an act more directed at the EU’s domestic audience than with any serious hopes of gaining more influence in the process. Having said this, the EUSR is known by the parties in the Middle East, and he is able to convey messages from the EU- if indeed there are any. Still, it is symbolic, or perhaps
symptomatic, that “he always turns up when the Americans have left”, as one Arab diplomat said.435

The offices of the CFSP High Representative (HR) and/or the Commission for External Relations are the key actors when it comes to representing the EU and the EU’s interests. If the EU was intent on bringing its mark to bear on the peace process and contributing to shaping events, these are the actors who would be present on the scene. The EUSR, however, has little scope or freedom to act and initiate policies in the name of the twenty five member states of the Union. While he has developed a working relationship and personal rapport with the parties involved, his mandate and institutional constraints prevent him from developing a more effective role, and one could question whether his position will be of any special significance in the long term. Moreover, since the beginning of the second Intifada and the complete deadlock of the past few years it seems that the EUSR role has decreased and its position has become limited to little more than a spokesperson and messenger for the EU.

Consequently, the member states of the EU must decide if, and in what ways they are prepared to strengthen the role and the tools available to their Middle East Special Representative. However, in similar fashion they will need to decide what role the CFSP High Representative will play in representing European interests in the MEPP; due to his high position as representative of the EU foreign affairs, his mediation has been taken more seriously than the Special Representative’s efforts by both Palestinians and Israelis for the past few years. The EU should seriously consider this fact while re-assessing the rentability of a Special Representative to the peace process.

435 Quoted by Dosenrode (2002): 156. The persons referred to by the diplomat were Moratinos and Dennis Ross (American coordinator to the MEPP during the Clinton´s administration).
5.2 Re-assessing the EMP

“The Euro-Mediterranean Partnership still remains the only multilateral forum outside the United Nations within which all the parties to the (Middle East) conflict meet.”

Rudolph Scharping, 2001. 436

The European initiative of a “Euro-Mediterranean Partnership” was originally meant to lead the way to more stable cross-regional relations, thereby fostering European interests in the Middle East in general and in the peace process in particular. It seemed that an agreement under a Mediterranean context would be the only formula under which Israelis and Arabs could meet regularly and discuss matters such as economics, social matters and the environment.

EU considerations were therefore based on two assumptions:

à Although Europe was limited severely in acting on the political and security front in the Middle East due to the intergovernmental character of CFSP, it could have acted economically within a wider Mediterranean frame.
à A framework of effective regional institutions in the “low politics” domain would provide mechanisms for peaceful conflict resolution processes leading to stability and prosperity in the MENA region. (“Spill-over effect”).

The Barcelona Declaration has been analysed and criticised in some detail since it was adopted at the 1995 conference. Almost a decade after initiating the process, it has still not come up with a success story, nor has it triggered off a broad transformation process in the southern Mediterranean partner countries. The process has become bureaucratic, and the initial optimism professed by many of its advocates has given way to a more sober mood.

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As pointed out in chapter 4.4.2, critiques of the EMP focus on the concept and the implementation difficulties of the Mediterranean Partnership; all of them are related to the fact that the Barcelona approach is too global, too theoretical and ignores the existing unresolved conflicts and the different approaches to political and social issues in the wider Mediterranean region.

Although some EU analysts and policy-makers still believe that Europe should work on the so-called “Charter for Peace and Stability” for the region, there is sufficient evidence to assume that a comprehensive Mediterranean strategy in this domain would fail as long as the Middle East is still under a threat of war. Here, the idea of cooperation is too visionary and does not adapt itself to the given premises. As pointed out in this paper, functional theory is one side of the coin, political realities within and among the regions the other. In this regard it seems that some EU policy makers ignore two important empirical facts: First, nations in a state of war would not cooperate with one another in a military or strategic field. Second, only a climate of peace or a mutual trust between and within nations and within them can create the confidence and commitment necessary to bring about Euro-Mediterranean political/strategical cooperation.

To many in the Middle East, the issues of the Barcelona agreement seem to be a political interference which, on occasion, becomes intervention against state sovereign immunity of cultural intrusion. European attitudes sometimes intensify these convictions. For example, the official definition of what human rights and democratisation may be is not easy accepted. Although for many in the Arab World the general concept of these two notions held in the West is acceptable, its provenance is suspect because of Western interventionism and repression in the developing world in the past. For many, the very fact that Western states should apply such pressure is unacceptable, simply because it implies an interference with national sovereignty. These Western demands for political and economic change are therefore immediately treated with profound suspicion and are often resented as political interference or rejected as culturally alien, and are thus counter-productive.
Relying on these assumptions, the EU must acknowledge two important facts while re-assessing its role within the EMP frame:

à There is no doubt that the main obstacle to the joint Euro-Mediterranean development lies in the Arab-Israeli conflict. A European challenge thus endeavours to go around the political minefields of the Middle East conflict and establish new, varied and parallel paths of intercourse, sensible to the given premises in this area.

à Unless a new Barcelona agenda concept for the Middle East is modified according to political and economical premises in the Arab World, it is likely to become the basis for renewed antagonism towards the West, rather than a platform from which political, social or economic progress might result.  

In other words, the EU should not enforce but rather encourage changes. Nonetheless, it must condition its financial assistance (MEDA) to the follow-up and implementation of the Associations Agreements concluded with the Arab participants within the Barcelona frame.

In line with these recommendations, the following suggestions are aimed at defining a constructive European role under the Barcelona frame (in the MENA region in general and the MEPP in particular) in a realistic manner, taking into account the region’s complicated premises.

5.2.1 Political/Strategic Role

“Charter for Peace and Stability”: As mentioned above, the differing ideas of security cooperation prevails on both sides of the Mediterranean, and this generates a measure of mistrust among the southern Mediterranean partners, especially between Israel and its Arab neighbours. Drawing the consequences, Europe should change its concept for peace and stability as intended in the

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438 This was evident, for example, at the fourth ministerial meeting of the Euro-Med Partnership in Marseilles in November 2000, which was boycotted by the Syrian and Lebanese delegations as a reaction to the increasing tensions in the Middle East region during that time. In this context the efforts of the French presidency to introduce the so-called “Charter for Peace and Stability” were bound to be a failure.
Barcelona Agreement in 1995: instead of being too ambitious it should start a process with greater emphasis accorded to partnership-building and soft security. This seems to be the only feasible possibility of any kind of progress in the area of peace and stability in the MENA region.

§ The EU should advocate a certain, limited Charter that may become a focal point of future security cooperation between the Mediterranean partners. The Charter should be a political and not legally binding document since it will be impossible for the EU to impose an EMP decision on Israel and its Arab neighbours, in times when both sides are taking defending measures in order to secure their existence.439

§ All decisions, joint actions, measures and contractual commitments under the Charter umbrella will be taken on a consensual basis, though flexibility in implementation may be permitted. Flexibility would allow for a step-by-step implementation of certain measures. These could be taken voluntarily by a handful of states interested in cooperating on a specific issue. All other partners would be permitted to join at any time. (Israel, Syria and Lebanon may not be permitted to sign a charter or a part of it, because of the state of hostility still existing between them).

§ Special attention should be given to the requirements of sub-regional cooperation in the Western Mediterranean (Maghreb) and the Eastern Mediterranean (Mashreq) so that a system of variable geometry can be created.

§ There should be a sectoral approach starting with cooperation on “soft-security” matters such as maritime safety and the prevention of environmental disasters; this will allow the EU to assist the parties to reach a variety of agreements that have no direct connection with political issues, yet are of interest to all sides.

§ The Charter of peace, security and stability should be accompanied by an annex that consists of a short-term pragmatic work program. It will allow the Euro-Mediterranean states to develop co-responsibility for the joint actions that have been agreed upon.

Finally, European officials should not dedicate a great deal of time and resources to the Charter unless they can ensure its incremental implementation. Otherwise it will become little more than a theoretical, academic exercise with no practical impact on the geo-political area in question. If, however, the charter is to become a sustainable multilateral initiative, it must be elaborated into a gateway for pragmatic partnership-building measures. It should comprise a framework that aims at enhancing political dialogue, fostering good-neighbourly relations and sub-regional cooperation, and encouraging a culture of conflict prevention. Nonetheless, this kind of charter will only be comprehensively applicable after sufficient progress has been achieved in the Middle East peace process.

Inflation of Institutions: The Middle East is already overwhelmed by a plethora of official institutions designed to develop cooperation and increase dialogue. In many cases, the same officials meet each other frequently to discuss identical issues in different institutional frameworks. In addition to the Barcelona frame, Euro-Atlantic institutions, such as NATO and the Organisation for Security and Cooperation in Europe (OSCE), all have ongoing Mediterranean dialogues, cooperation programs, and the like. The goals of each of these programs are often vague, and overlap in terms of activities, participants, and, at times, with respect to time plans. Thus, the EU should be careful in proposing or creating new frameworks within the EMP, and should avoid institutional overload.

Terrorism: The fight against terrorism has played a prominent role in international relations since 11 September 2001. Yet, the EU should not devote its time to the futile search for an internationally accepted definition of terrorism, especially in the Mediterranean context, where in the public discourse the lines between terrorists, resistance fighters and opposition groups are blurred. Instead,

The EU should embark on a pragmatic dialogue with the EMP’s Arab partners on an ad hoc basis to identify common concerns and coordinate policies in this field.440

The EU should ensure that the fight against terrorism is not exploited by southern partner countries and used as a pretext for an indiscriminate clampdown on non-violent opposition groups, most of whom espouse some kind of Islamism.

Although many Western politicians have been at pains to stress that the war against terrorism is not a war against Islam in general, many in the region seem to think that it is. Such mutual demonisation must be resisted if the spirit of partnership invoked by the Euro-Mediterranean Partnership is to be maintained. Thus it is of the utmost importance to initiate a frank cultural dialogue with the Southern Mediterranean countries to discuss mutual concerns and define shared values on different levels.

The EU should consider the inclusion of moderate Islamists in this dialogue since they comprise the popular movement with the broadest mass base in most southern partner countries.

5.2.2 Economical Role

The heart of the Process has always been its economic chapter. It is by this benchmark that it will succeed or fail. The EU goal in this context is a large and free trade zone around the Mediterranean basin by 2010 to ensure the prosperity of the region. In essence this entails dismantling the tariffs that the Mediterranean countries impose on imports from the European Union, since they already enjoy comprehensive duty-free access to the EU for their manufactured goods.

Some argue, however, that the EU should be cautious when putting a deadline on its economical vision for a free trade zone with some of the participating Arab countries (especially Jordan, Syria and the future Palestinian state). Critics of Pillar II of the Barcelona agreement believe that the shock of rapid economic integration with the EU will have a devastating rather than a rejuvenating effect, even in the case of relatively successful economies such as Tunisia’s.\textsuperscript{441} They argue that the local industries will be entirely unable to compete when tariff barriers are removed and will be extinguished on a large scale. Also, from foreign investment flowing in to compensate for the difference, there is likely to be

\textsuperscript{441} Edis (1998): 93-105 (104).
disinvestments by already established companies. This, they claim, will result in a hub-and-spokes situation with the EU at the centre, and EMP partners (i.e. the Arab participants) supplying at best unsophisticated and unfinished products. Therefore, the impact of such developments in social and political terms would produce dangerous instability and eventually a mass migration to Europe.\(^{442}\)

However, in contrast to this approach, the Portuguese and Greek models are proof that relatively smooth economic integration of the MENA countries is possible. Portugal and Greece were no more advanced than those of some Arab participants 30 years ago, and with the help of the EU have been able to modernize and adapt themselves to EU standards. Generally, it is to assume that the reality may well be somewhere between these two approaches.

The present situation indicates that the region still presents a differentiated picture. While some countries have embarked on a credible and sustained path towards seriously structuring their economies, others have yet to start the implementation of the necessary reform programs.

The considerable differences in the reform process in Southern and Eastern Mediterranean countries are reflected in the state of their negotiations with the EU:

â  A free trade zone has basically been established (in regard to manufacturers) with five Mediterranean countries (Israel, Turkey, Malta, Cyprus, Lebanon and Palestine), which altogether compose almost 50% of all EU trade with the Mediterranean area. Two of them (Cyprus and Malta) have become EU members. Turkey is involved in the EU accession process.

â  A free trade zone has been agreed upon with four countries (Tunisia, Morocco, Jordan and Egypt).\(^{443}\) It will be progressively established during a 12-year transition period and should be completed by the target date of 2010.

â  Negotiations are still under way with two other countries (Algeria and Syria) and will be concluded with a two-year ratification process.\(^{444}\)

\(^{442}\) Ibid.
\(^{443}\) Negotiations with Egypt have been completed, though as a result of internal Egyptian government procedures, it has not yet been signed (stand 2002)
\(^{444}\) Stand: 2002.
While considering the chances for a free trade zone by 2010, one must also consider the fact that the EU’s leverage to influence economic policy across the Mediterranean is limited. First of all, it is the responsibility of the MENA governments (including Turkey) to realize the necessity for reform and for swift implementation. The EU could then acknowledge that the reforms and successes in the Mediterranean are progressing at different speeds by introducing a measure of flexibility.\textsuperscript{445} Flexibility implies that MEDA funds should be pooled to support those partners who have indeed embarked on an irreversible transition by making a serious effort to introduce reforms. Those countries should obtain more encouragement from the EU, including privileged treatment when it comes to allocating financial assistance. In the case of the other countries, negotiations should be brought to an end or suspended within an appropriate time frame, and MEDA funds should be reduced accordingly. These states may join in the process at a later stage, if and when they feel prepared to implement the reforms needed for a free trade regime.\textsuperscript{446}

Association Agreements:

§ A revised Association Agreement should define a comprehensive 3-5 years strategy of economic reform. Individual “association partners” would have to agree on basic policy objectives, implementation measures and a time-frame. The aid should be conceptualised as short-term assistance for a transitional period of restructuring in order to minimize the risk of an enduring climate of aid.

§ The EU should concentrate its MEDA funds on supporting the envisaged reforms with the help of strategic programs; aid to individual projects should be phased out. It could direct the partner countries to sources of information, technical assistance, and other useful kinds of support available in Europe. It should also monitor the process closely in order to become co-responsible for the success of the Association Partnership. In order to monitor the process, the EU will publish an annual progress

\textsuperscript{446} Ibid: 10.
report. This will allow the political institutions and civil society in both the reform countries and the EU to follow the developments as they unfold.  

§ The Association Agreement should emphasize the following reforms that are to be implemented by the partner countries:

a. Continuing with and accelerating the pace of privatisation.

b. Reforming the banking sector in order to ensure the availability of loans.

c. Improving budget procedures and mechanisms such as parliamentary control, financial control procedures, publication and comprehensiveness of the budget.

d. Implementing good governance, especially an accountable executive, the rule of law, an independent judiciary, and independent media.

e. Reforming the public sector and the bureaucracy, improving management skills, combating corruption. The private sector needs to be promoted and requires an appropriately large economic space with uniform rules and regulations, and the legal security of their implementation.

These are extremely difficult preconditions for any country to meet, but at the same time they are essentials of “good governance” in any country. The Association Agreement will have a positive effect in several respects, yet it is not enough to announce reforms, one must follow them through. If the Arab governments indicate that they are seriously committed to reform, investors will pick up this positive signal.

From its part, the EU should take serious steps in order to improve and optimise its assistance to Arab partners of the Mediterranean agreement. This includes:

§ Assistance in the improvement of infrastructure in order to facilitate the increase in trade with the EU.

§ Providing support for the development of an entrepreneurial class, especially for small and medium-sized enterprises and the informal sector, by means of easy access to loans, the transfer of technology and know-how, and the introduction of a more effective system of standardization.

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§ Providing financial assistance (when possible) for social programs to alleviate the burden of poverty and dislocation which may accompany the reforms, possibly through a Euro-Mediterranean Social Fund.

§ Providing education and vocational training to equip the work force to deal with the requirements of the transitional process, and to ensure an appropriate level of human resources development, particularly with regard to training judges and lawyers.

§ Trade between Arab states is very limited, amounting to less than 6% of their external exchanges. Keeping this in mind, the EU should encourage regional entities which aim at strengthening regional integration.

The above mentioned actions should also contribute to the improvement of the “business environment” in the Middle East, which lacks attractiveness in comparison to the Far-East or Eastern Europe.449

Finally, one must bear in mind that there is a close link between security, peace and growth in economic relations. While vertical free trade between Europe and some Middle Eastern countries has already been materialized, it has not been fully complemented by horizontal agreements between Israel and its Arab neighbours. The absence of Israeli-Arab trade liberalization does not bode well for the development of greater markets in the Middle East that can generate specialization and rationalization through economies of scale, and in particular, attract powerful investors. Therefore, the EU should make a major effort to foster Israel-Arab trade and to spur sub-regional integration in the Mediterranean as a whole. It should pay special attention to the encouragement of regional cooperation in shared infrastructure and communication projects.

5.2.3 Democracy and Human Rights

The U.S. and the EU agree that a democratic transformation of the Arab world is a goal that should be pursued.450 As a matter of fact, democracy-building, the

449 This is reflected in the meagre share of Foreign Direct Investment (FDI) attracted by the Mediterranean region, which is about 5% of all FDI in the emerging economies.

450 Volker Perthes argues cynically that Europeans will likely remind their U.S. counterparts that Europe has pursued this goal even before September 2001, and not only “discovered” the lack of
support of civil society, the rule of law, and human rights have been key elements of the political and security chapter of the EMP both in its multilateral and bilateral dimensions (Barcelona Declaration and individual Associations Agreements).

The EU can contribute enormously to the promotion of democracy in the Southern Mediterranean states, when statements of democratisation and power participation would not only be stated merely as vague declarations (declaratory diplomacy). Europe could, for example, condition the MEDA economical assistance to the development of a democratic process. However, as mentioned before, the Union should also be aware that the necessary changes may seem contrary to the customs, values and traditions of the Arab states. Therefore, actions should be taken only upon consideration of the political and mental sensitivity in the Arab states and preferably when the respective governments are willing to back up such moves. Furthermore, the EU should consider the following:

à The impact of these changes and pressures on the political survival of incumbent rulers.  
à The nature and normative changes implied by political liberalization as well as the legitimacy and advisability of the use of external pressure to achieve them;  
à The danger of strengthening anti-democratical groups within the frame of democratic process.  

So far the EU has refrained from invoking the democracy clause in the concluded Association Agreements, mainly because it perceives a possible conflict between change and stability. The fear is that a democratisation process with broad popular mobilisation might destabilize the region. This had led to scenarios ranging from situations reminiscent of civil war to a democratically legitimised take-over by anti-Western Islamists. Surely the EU would not be comfortable if democratic change in the Middle East region results in the victory of radical Islamist groups, as it happened in Algeria a decade ago. These fundamental issues can only be dealt with by means of carefully balanced parallel implementation of the two

451 These may not be willing to play the game; if they do, they may not regain their position under the new rules since political liberalization implies the possibility of an alternation in power.  
452 Algeria is a typical example of democratic process which resulted in a negative effect.  
transformation processes, that is, by opening the economic system and simultaneously granting increasingly more freedom in a political system that will be gradually reformed.\footnote{\textit{Ibid.}}

An increase in the number and weight of well-organized associations and civil societies in the Arab world, which operate democratically and are entirely independent from the state and from those who control it, would undoubtedly relativize the powers of the Arab regimes and would contribute to the process of democratisation. These associations would have to be different from the chambers of commerce, trade unions and the many associations that exist presently in the southern and eastern Mediterranean. They should be free from the shackles that currently tie them to the state, to a greater or lesser extent.\footnote{Kienle (1998): 16.}

Within the human rights domain, the EU should work on a detailed and comprehensive plan for economical support and for the backing of Middle Eastern human rights organisations such as AISHA (The Arab Women’s Forum), the Arab Centre for Media Freedom, and the Gay and Lesbian Arabic Society. The EU must not condone flagrant violations of human rights in countries that have duly concluded Association Agreements. In the case of serious and/or continued violations the agreement should be suspended (at least temporarily) and the MEDA assistance programme should be brought to a halt.

Finally, the Country strategy papers assessing the performance of each partner country in the sphere of human rights, democratisation, the rule of law and good governance should become decisive instruments in the creation of more coherence with regard to foreign relations and the insistence on human rights as a mainstream issue which cuts across other categories.

\section*{5.2.4 Promotion of Arab-Israeli Dialogue}

Civil Societies (CS):

Since the 1995 Barcelona Summit, the Euro-Mediterranean process has not succeeded in promoting an open and constructive dialogue between Arab, Israeli
and European NGOs and civil societies; many of them have been frustrated by the Barcelona Agreement and believe that the EMP produces more rhetoric than hard facts. It is thus the role of the EU to re-encourage European, Arab and Israeli NGOs and CS to organize their own debates and forums on a variety of issues either as part of the “Euro-Med Programme” or in other forums (for example students associations). Active and direct participation of Middle Eastern and European NGO’s and CS as part of the Euro-Med dialogue would bring about a grass-roots type of Euro-Mediterranean community and would help establish a more coherent framework within which such a dialogue could take place.

The EU’s agenda for promotion of CS exchange should include actions such as:

§ Insisting on the appropriate legal basis for the operation of NGOs in the partner countries, in which actions are restricted due to the political situation.

§ Enhancing the profile of civil forums through information and communication initiatives and the disbursement of MEDA funds to NGO.

§ Facilitating contacts between civil societies in the MENA region and the EU by easing visa procedures, especially for students, scholars, and professionals.

§ Establishing Arab Centres of European Studies at key universities in the Arab world to promote understanding of the European Union and its policies, analogical to those already existent in Israel.

§ Promoting and intensifying exchange activities such as those which exist today between the European countries. Coming together in cultural, political or economical forums is a very good way of establishing relations that may promote a better Euro-Med cooperation. Also belonging to the list of recommended ways of “coming together” are students exchange programmes between countries around the Mediterranean region and especially between Palestinian and Israeli students.

Cultural activities:

The Union should establish a cultural agenda that would seek to detach the Mediterranean discourse from the umbilical cord of conflict and fashion a broader
cultural framework in which Israelis and their Arab neighbours are not alone with each other, but work together in a broader context and partnership. Governments and bilateral initiatives are a driving force in cultural cooperation, but no less important is the network of local and private initiatives such as cities, schools, universities, institutes and NGO’s. Some examples of cooperation:

§ TV, Radio and Cinema cooperation according to already existing European models (ARTE, 3 Sat, TV5).\textsuperscript{456}

§ Twinship between cities and schools in Israel and its Arab neighbours with which peace treaties already exist.

§ Cooperation and exchange of information between research centres, trade unions, and professional associations.

§ Cooperation between cultural establishments (i.e. Museums, libraries etc.)

§ Establishment of a university exchange programme based on the experience of the EU student exchange programmes (Erasmus for example), education of journalists, and a support of free initiatives for dialogue between Israelis and Arabs (conferences, student debates etc.).

§ Teaching European culture and languages is also important to ensure that young people can obtain a first-hand impression of Europe.

§ Organisation of cultural events in embassies, consulates or European culture centres such as the Goethe Institute or the British Council.

§ Establishment of a centre for EU-Middle East initiatives in Europe and the Middle East which would create a directory of regular cooperation activities (exchange programmes, annual events, conferences on issues of concern and more).

In order for the EU to achieve its goal, support should also come from institutes and organisations around Europe. Also, the national governments in the Middle East should reinforce the variety of activities as well; otherwise, any EU goodwill for action is doomed to fail.

To conclude, the EU, as a living example of a vision becoming reality, can be the motor for an Arab-Israeli cooperation under the Mediterranean frame. Barcelona

\textsuperscript{456} It should be emphasized that in modern times of communications such as satellite television, internet and tourism, the cultural exchange has gained a greater meaning than, say, 30 years ago.
already plays a positive role: although the EU-Mediterranean paradigm was not
designed specifically to advance the Arab-Israeli peace process, “it is still the only
framework in which Arabs and Israelis meet and talk regularly.”457 However, the
Mediterranean initiative is still anything but efficient.

Europe can revive the Barcelona vision by maximising its own abilities, its own
resources, in business and professional terms and in terms of creativity. To that end, it is of crucial importance to develop an operational working plan by prioritising and streamlining common goals only on the basis of comprehensible criteria, monitoring their implementation and creating the preconditions for a swift implementation by the Brussels administration. The working plan should focus on relevant key issues to prevent a waste of resources and should ensure that declarations of desire for cooperation in the Middle East (as part of the EMP) are translated into suitable institutions and actions with the capacity to generate projects and initiatives.

Even more importantly to the Middle East region, only a strong European insistence on the importance of a regular EU-Mediterranean meeting would force both Israelis and Arabs to sit at the same table and negotiate on subjects important to the entire region. In this respect, the community must root the Barcelona process in the minds of the Middle Eastern governments and people.458 In the process, it is imperative that the Arab nations of the region will perceive the replacement of animosity and distrust by a new climate of cordial relations that reinforces the collective hope for peace. Similarly, Israel must take a qualitative leap away from the occupation mentality towards cooperative behaviour amongst equals.

The ideas expressed in this chapter should stimulate fruitful socio-cultural co-
operation and collaboration in the Middle East region under EMP frame, but it
should be kept in mind that in the absence of progress in the peace process, the
impact of Barcelona can only be marginal. The EU should thus define only

457 Efraim Ha’Levy, former Israeli Ambassador to the EU, Interview in IBA News, Israel TV1, 19 August 2000.
458 The EU’s External Relations Commissioner Chris Patten admitted in a document reviewing
Barcelona in September 2000 that the Barcelona legacy “still lacks visibility amongst the
populations of both the EU and the broader Mediterranean region.” Quoted by: Spencer (2000): 84.
realistic targets according to the given political and economical pre-conditions. As long as the EU would not act according to the dictation of these premises, it would not manage to form an effective agenda of cooperation and the Barcelona Process would become another media event “disappearing into thin air”.459

5.3 Constructive Dialogue with Iran

As noted in part four, European policy on Iran can be best explained by economic interests and dependency of the member states on the former. This corresponds with the LI theory presented by Moravcsik in 1993 and the “Shield Effect”, both pointing out that the EU´s common policy is the outcome of an intergovernmental bargaining, a conglomerate of compromises based, above all, on considerations of risks and benefits. With such premises, is it possible to regard Critical Dialogue as an efficient policy?

According to chapter 4.5.4, it is difficult to assess which policy is the most “suitable” one in order to push the Iranian regime towards substantial changes in its internal and external policy. There are different opinions and attitudes (pro and contra) regarding the different EU and the U.S. approaches, and the debate has been rather dynamic over the past few years. In principal, supporters of the critical dialogue believe that change will only come slowly and through spill-over effects from economic liberalisation. They argue that some positive changes in Iran, little as they were, may have not occurred had Europe abandoned its policy of engagement towards the former by adopting the American one. In contrast, the dialogue´s opponents maintain that any positive changes which occurred in Iran in the past years, including the latter´s compliance with the IAEA requirements in 2003, would not have been possible without a tough American approach towards other “problematic” regimes in the region.460 In other words, the U.S.- led war in Iraq has accelerated Iran´s lethargic reactions, which, in turn, led to Tehran´s

460 i.e. the 2003 U.S. led war in Iraq.
agreement to sign the additional protocol of the NPT and to fully comply with the IAEA requirements.\textsuperscript{461}

According to Nourbakhsh, an expert on Iran, the EU shift towards the Americans in the issue of Iran´s WMD after the 2003 Gulf War has been alarming to the Iranian regime and has thrown the conservative establishment in Tehran into hysteria. He argues in this respect that Iran cannot afford losing the EU´s support as it is its only bridge to the West. Moreover, since the EU´s stance has been fully supported by other political actors like the UN and Japan, losing the EU would be equal to a full isolation for Iran.\textsuperscript{462}

Nourbakhsh´s assumption that the Iranian regime is as much as dependent on relations with the EU as vice-versa implies that Europe is in a position to influence Iranian behaviour much more efficiently than it has done so far: instead of a policy which relying mostly on statements and declarations, a tougher and more decisive stance is required. Hence,

§ The present negotiations for a “Trade Cooperation Agreement” (TCA) with Iran could be used as a tool for such a dialogue. It could provide the Union with leverage to pressure the latter to change its policies.\textsuperscript{463} The negotiations should be stipulated through full international confidence in Iran´s adherence to non proliferation and in particular, in the peaceful nature of Iran´s nuclear programme. In addition, improvements in the areas of human rights, the fight against terrorism, and Iran´s position on the Middle East peace process. Also, incitement against the United States and Israel in the state-controlled media and in public must be stopped or at least significantly reduced. The above-mentioned issues should of course become an integral part of a concluded TCA text, and an EU delegation should be set up on the ground in order to supervise Iranian actions designed to meet those requirements. (The EU does not yet have any

\textsuperscript{461} Some claim that the EU change of approach towards Iran on that matter was a result of a tough U.S. policy.
\textsuperscript{462} Nourbeksh (2003):1.
\textsuperscript{463} As a matter of fact, in February 2001 the Commission adopted a Communication- approved by the Council in May 2001-setting out prospectives and conditions for the TCA negotiations. www.europa.eu.int/comm/external_relations/iran/intro.
contractual relations with Iran and there is still no Commission delegation in the country).

Equally, the EU should spell out, through a timetable with specific reciprocal steps, the benefits it is willing to offer if Iran sticks to its commitments. The incentives the EU could provide range from measures on trade and investment to access to research and technology. Iran desperately needs cooperation with Europe, given the dire state of its economy and the serious demographic and other challenges it faces.

If the European governments talk about carrots and sticks in their relations with Iran, the former have been more in evidence than the latter. In contrast, the U.S. government relies more heavily on the stick. In order to reach a more cohesive approach, it is up to the EU to encourage the Americans to think harder about why Iran wants nuclear weapons. Iran is a proud and nationalistic country with deep distrust of the outside world. This is partly paranoia and a consequence of Iran’s relative isolation, but it also has a rational core. Throughout the 20th century there was plenty of foreign interference in Iranian politics such as the Anglo-American organised coup in 1953 against the nationalistic government of Mohammed Mossadeq. In the 1980s, Iraq repeatedly used chemical weapons against Iran. Finally, from the current perspective of Tehran, the combination of a nuclear Israel and U.S. troops in Iraq and Afghanistan must look threatening. What is required from the west is therefore a more creative strategy, one that takes Iranian security concerns seriously while explaining that going nuclear is not the answer.

Europe must pressure the U.S. to consider giving Iran some of the assurances it craves. With North Korea the U.S. is reluctantly offering a deal whereby the North Koreans get a multilateral security guarantee in exchange for denuclearisation. Something similar has to happen with Iran.\textsuperscript{464} However, Iran must realise that such initiatives are dependent on significant and continued changes in Iranian behaviour, especially regarding IAEA demands.

Steven Everts suggests that Europe should take the lead in initiating a regional security dialogue aimed at reducing political tensions and increasing transparency in military postures. This effort could be loosely

\textsuperscript{464} Everts (2004): 5.
modelled on the *Organisation for Security and Cooperation in Europe* (OSCE) to emphasise that security and human rights issues need to be tackled in parallel. Relying on the “*Helsinki Process*” of the mid-1970s, Everts believes that cooperative security can reduce underlying political hostility and eventually lead to regime change.\(^{465}\) Backing up this line, Nourbakhsh maintains that U.S. and Israeli concerns can also be eased by means of a bilateral agreement between Tehran and Jerusalem on renouncing first use of surface to surface missiles and/or the intention to arm missiles with WMD.\(^{466}\) However, the kind of cooperation Everts and Nourbakhsh talk about seems to be impossible for the time being. Moreover, the idea of Iran and Israel sitting at the same table and discussing security matters still appears to be fictional.

**Internal Affairs**

There are various aspects one could discuss when describing the European-Iranian interaction in the democracy and human rights domain. Although the EU can claim its policy has produced some limited results,\(^{467}\) only one point seems to stick out, namely that after a decade of “critical dialogue”, the EU has not much to show for it:

\[\text{\$ The Khatami honeymoon is over. Iranians have seen him for what he is, a censor who has no power. The fact is that Khatami has proven to be either incapable or unwilling to implement changes he promised, and the Parliament has proven to be impotent in regards to meeting people’s needs.}\]
\[\text{\$ Freedoms have not expanded to any great degree, and the same can be said of human rights. In 2002, at least 139 people were executed and 285 flogged. Over 56 publications have been barred since March 2000, and already in January 2003, 5 newspapers have been shut down. Although the}\]

\(^{467}\) For example, Iran’s decision to stop the abhorrent practice of amputating limbs of convicted criminals came partly as a result of EU pressure.
Iranian people clearly showed their desire for further reform, a large number of candidates were prevented from standing in the 2004 Iranian parliamentary election, including many sitting members of the Majlis (Iran’s Parliament). This made a genuine democratic choice for the Iranian people impossible.

§ Despite the on-going dialogue, serious violations of human rights are continuing to occur in Iran. The situation with regard to freedom of opinion and expression continue to be deeply troubling. The EU called for rapid progress in this field, in light of the arrests of students, journalists and others during student demonstrations in October 2003. Since then, the EU has learned of further cases of arbitrary detention of persons for no reason other than the peaceful expression of their beliefs.

§ Europe’s lobbying efforts to get the Iranian Parliament to pass less repressive laws have been unsuccessful.

§ Perhaps one could excuse the poor record of the EU’s policy of engagement, if the average Iranian was living better as a result of the dialogue, but 72% of the Iranian populations were living under poverty in 2001, up from 62% in 1998.468

The European failures of the Iran policy lie in the following aspects:

§ Throughout the years the Union has refrained from imposing any substantial threats on Tehran such as economical sanctions. Instead, it used vague declarations in which it merely expressed its “deep concern” or “regret” about certain issues in the human rights domain, but nothing more.469 The example of the EU’s reaction to the February 2004 parliamentary elections in Iran illustrates the EU’s persistence on its declaratory policy: although the European Council reacted with “regret and disappointment” to the “setback for the democratic process in Iran”, 470 the official declaration avoided mentioning a possible impact of

468 Source: UNESCO Tehran.
Tehran’s behaviour on the TCA negotiations. This, despite the fact that in the past the European Council had repeatedly declared that the negotiations are conditioned to reforms. Instead, the Council merely expressed the hope that “Iran will return to the path of reform and democratisation”.

§ The Critical Dialogue has not been serious enough: It focused only on twice-yearly meetings of the Troika with senior representatives of the Iranian Foreign Ministry. The content of the discussions was understood to concentrate not on fundamentals such as human rights, but on actual issues, such as the Fatwa on Salman Rushdie and support for the Arab-Israeli peace process.

Given that the Iranian regime’s manner of running the country is so out of line with the people’s aspirations, radical change in Iran is inevitable. Yet, some European diplomats sincerely argue that change does not need EU intervention. They believe instead that it will only come slowly and through spill-over effects from economic liberalisation. This kind of political thinking is wrong. If Europe will not position itself more clearly on the pro-democracy side in Iran there is a real risk of Europe being on the “wrong side of history”. An analogy with Eastern Europe may be fitting: one reason why East European elites are so pro-American is because they think that during the cold war, Western Europe, particularly the centre-left, was too focused on stability, too soft on human rights violations, and too willing to ignore the plight of dissidents. Hence Europe needs to calibrate its approach. Indeed, it is up to Iranians to shape their own political future, but Europe should make greater efforts to speak in favour of and perhaps give support to those inside Iran that make the case for reform.

The dialogue on human rights and democracy with Iran which began in 2003 is one of the means by which the EU can work to improve the situation in the country. However, this dialogue can only be an acceptable option if sufficient

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471 Ibid.
474 In this respect, the excessive U.S. regime change rhetoric is certainly removing the incentive for Iran to comply with the West’s demands. The Iranians say they may be damned if they do comply, and damned if they don’t.
progress is achieved and reflected on the ground. Therefore, it must go beyond a mainly academic exchange of views. The dialogue should take place on a monthly basis and without restrictions to the membership of either delegation. It should include civil society participation from Iran and the EU, and focus on themes such as the lack of freedom of opinion and expression, executions being carried out in Iran in the apparent absence of respect for internationally recognised safeguards, the continued use of torture and other forms of cruel, inhuman and degrading punishment in Iran, and the continued violations of the human rights of women. In addition, the Iranian government should provide information regarding individual cases that the EU has requested. Similar to the external policy domain, the conclusion of the presently negotiated TCA should be conditioned on Iranian willingness to meet benchmarks with regard to human rights and democracy as well as significant and continued changes in these domains on the ground.

To conclude, although all constitutional means to consolidate reforms in Iran may have failed, the prospect for peaceful change is not entirely bleak yet. While both the EU and the U.S. remain convinced of the effectiveness of their respective good-cop/bad-cop approaches, this paper suggests that it is perhaps the combination of the two that is most effective. It allows flexibility and permits half-steps by each side, rather than requiring an all-or-nothing approach. The European soft power can deliver tangible results, but the EU must be prepared to use its foreign policy tools to protect its own interests. Therefore, the EU must maximize and optimise its dialogue with Iran, especially in the field of democracy and human rights, where it can certainly produce results. Europe’s tougher approach and persistence on these issues is biased as it supports the reformists against the conservatives. Any achievement for the EU in this regard could reduce pressure on Iran’s reformists and civil society and promote free political expression and activity. Once democracy and human rights in the European sense have been established in Iran, it will be more exposed to economic pressures from institutions such as WTO and IMF. It is then that the EU but also the U.S. will reap their harvest. An open economy, enforced structural adjustments, introduction of Western property rights, and in one word, a liberal economy is what the EU is pursuing. Yet, accepting such economic conditions is a
choice that the Iranian government will have to make. This would be the indirect consequence of political freedom.

6. Conclusion

A strong consensus exists amongst EU policy makers that Europe needs to play a more prominent role in the Middle East peace process.

Yet, despite Europe’s efforts, its role in the region remains largely sidelined and is concentrated mainly on the economical domain, whereas the United States still plays the main political role in the conflict.

The aim of the dissertation was to examine the reason for that.

The main research question was the following:

**How come the EU has not managed to become a key player in the Middle East Peace Process? How does the Intergovernmental-oriented CFSP determine the EU behaviour in the region?**

The answer to this question was supported through competing theoretical approaches to the problematic nature of CFSP mechanism. These approaches set the theoretical framework of the thesis and helped to reach an in-depth understanding of the EU policy in the region.

The research was limited to a period of 10 years, from 1993 (the launching of CFSP) to 2003. In regard to the Israeli-Palestinian conflict the time period under research was mostly 2001-2003 - the years in which the Intifada raged in Israel and Palestine.

The two theoretical approaches I referred to were Neo- Functionalism and (Liberal) Intergovernmentalism.

Neo-Functionalism claims that when political actors in several distinct national settings are persuaded to shift their loyalties and political activities towards a new centre, whose institutions possess jurisdiction over the pre-existing national states, there will be an expansion of integration caused by “spill-over”: In other words,
joint action in one area will create new needs and problems that will increase the pressure to take joint action in another. Eventually, low politics will then advance to high politics cooperation.

An opposing theory of European integration is known as neo-Intergovernmentalism. It argues that the nation state is the principal actor in the development of integration and that European integration is driven by the interests and actions of the European nation-states.

The thesis maintained that the neo-functionalistic approach often proves to be rather unsatisfactory in the particular case of EU foreign policy in the Middle East because of its failure to distinguish between two different levels of CFSP evolution: The European ambition to conduct a functional common foreign policy on the one hand and the complicated implementation process in some issues on the other.

The evidence against neo-functionalism considers mainly the limited role of supranational decision-making in CFSP and the fact that at least until 2003 there was no advance in common foreign policy integration on the issue of the Middle East conflict, in the way described by neo-functionalism.

This can be explained through the problematic nature of intergovernmental negotiations within the CFSP mechanism. Many elements of the Union’s foreign policy are the outcome of a cumbersome and bureaucratic bargaining process, a process of coordination and compromise-building measures which takes place mainly on the intergovernmental level between nation-states.

Consequently, the EU’s Middle East policy at the beginning of the millennium was often based on compromises made possible by a particular constellation which remained subject to all sorts of limitations such as diverging interests of the key EU member states on some Middle Eastern issues. This internal process of coordination among the EU member states and themselves and between themselves and the commission (which represent the functional body of CFSP), and the need to compromise with the least forthcoming government produced a
certain outcome, which was generally the “lowest common denominator” (Moravscik 1993). This was often reflected through vague and ambiguous EU declarations (if any) on issues related to the Middle East conflict. Indeed, it was the EU representative in the Middle East, Miguel Moratinos, who said in 1998: “We must agree with critics saying that the EU resorted to too much rhetorical diplomacy.”

The problems derived from the assumption that CFSP was more intergovernmental- oriented than functional have been pointed out in this research in a number of fields: the Israeli-Palestinian conflict, the Euro-Med Agreement and the policy towards Iran until 2003.

I have chosen these 3 fields because those were the areas in which the EU engaged itself specifically within the framework of a common European policy. The Iraq conflict, which was a central issue at the time of the research, has also strengthened the theoretical assumptions. The war in Iraq was backed by the UK, Netherlands, Spain, Portugal, Italy, as well as by most Eastern European states that preferred to be on the side of the most powerful nation, in this case the United States. However, it was strongly opposed by the Franco-German “core”, which looked outside the EU to both Russia and China, as members of the UN Security Council, in order to counter U.S. pressures to intervene in Iraq. In this case the EU intergovernmental negotiations process failed to deliver positive results; not even the lowest common denominator was agreed upon.

On the issue of the Middle East Conflict the dissertation maintained that the CFSP’s unsatisfactory performance (due the absence of a single voice) prevented Europe from playing a substantial political role during the years of the Intifada. Moreover, it argued that for all intents and purposes, the United States held and still holds both the key and the lock in making decisions dealing with the Israeli-Palestinian conflict. The EU’s disadvantage in comparison to the U.S. foreign policy is reflected by the fact that the United States is a state actor; a fully coherent political-military entity, an “address” to which positions can be communicated and with which problems can be clarified and perhaps resolved.
Moreover, Israel and the Palestinian Authority have often contacted one or more of the member states in an effort to ascertain the European position. Both parties accepted (or were bound to accept) American mediation because it was the sole power believed to be able to deliver results, provide guarantees and have enough influence to persuade the conflicting partners to make concessions.

Yet, during the years of the last Antiradar Arab diplomats have blamed Israel and the United States for “constantly wishing to reduce Europe’s role”, a perception not entirely unfounded on consideration of Israel’s negative position on European intervention at the time and the presumable American will to retain its key negotiator position in the conflict.

Indeed, since 1993, the efforts of the EU in the MEPP have been essentially financial in nature, being the mainstay of international efforts in support of the Palestinian economy. In consideration of its limited power, this role appeared to be the most suitable one for the EU - it is here that Europeans could positively contribute to the process while avoiding the endless necessary compromises between national interests and the requirements of a working international system.

**Euro-Med Partnership**: The dissertation indicated that since the Barcelona process was regarded as belonging to the area of “low politics” anyhow, it was less exposed to controversy inside the EU; the benefits on the supranational level were clear: it gave the latter the possibility of adopting positive economical measures without having to agree on a meaningful political position regarding conflicts in the region. Drawing parallels from the European neo-functional experience (however limited), the EU hoped that “functional” cooperation would eventually spill over into social stability and even regional peace. This has proven to be impossible. The Euro-Med Agreement conceptualised the Mediterranean as a geopolitical, strategic and economic space and spoke of establishing a generic mechanism for conflict resolution. However, it was too global, too theoretical and it took little if any account of the need for prior resolution of the Arab-Israeli conflict. Consequently, the ambitious approaches presented in the Barcelona Agreement could neither be sufficient nor efficient in its implementation.
Iran: The last case mentioned was the policy vis-à-vis Iran. According to the LI theory as introduced in the second chapter, “national preferences are best explained by economic interests”. Relying on this thesis, the dissertation assumed that the EU’s Critical Dialogue with Iran, launched in 1992, may have been a good-intentioned policy combined, however, with pragmatism. In other words, a policy which was based on a common denominator and motivated by economical calculations.

Looking, however, at the development of the past few months on the issue of Iran’s nuclear aspirations, one cannot talk anymore about an entire decision-making-process mechanism, but rather about a different, more efficient mechanism in which the EU 3 lead negotiations on behalf of the EU.

Chapter 5 of the dissertation has tried to elaborate on useful actions that the EU could undertake in order to improve its policy’s output in the Middle East. It has offered distinctive suggestions that took the Union’s obstacles, capabilities and potentials into consideration.

Regarding the Middle East conflict, the dissertation argued that the EU needs to reconsider its own strengths and weaknesses and match capabilities with feasibility. It maintained that the most important European contribution to the peace process would be an effective and well-supervised financial support of the Palestinian Authority and assistance by the further building up of Palestinian institutions. To that end, the EU must reassess its priorities, simplify and shorten the decision-making process, create efficient control mechanism, and improve coordination with other international donors. Given that the EU will indeed put all the necessary efforts in this domain, the contribution to the Palestinian society and for the peace process can be significant, providing an additional safety net that can strengthens the ability of leaders on all sides to show more flexibility.

On the issue of the Euro-Med partnership, the thesis maintained that in order that the Barcelona process would not become another media event disappearing into thin air, the EU should re-consider the validity of the Framework’s objectives and its political feasibility. It is of crucial importance to develop a realistic operational
working plan and ensure that declarations of desire for cooperation in the Middle East are translated into suitable actions.

Nonetheless, the dissertation also indicated that in the absence of progress in the Middle East peace process, the impact of the EMP can only be marginal because the process will continue to be exposed to the diplomatic ebbs and flows of inter-regional rivalries.

On the issue of Iran, the dissertation did not necessarily suggest that the EU should abandon the path of dialogue with Tehran. It indicated, however, that Iran is just as dependent on Europe as vice-versa and therefore Europe is in a position to influence Iranian behaviour more efficiently. This indeed has been the case in the past few months thanks to the EU common policy carried out by the EU 3, Germany, United Kingdom and France.

Finally, the dissertation concentrated solely on the CFSP performance in the Middle East and did not intend to draw conclusions on its performance in other areas of international relations!

In the context of evolution over time, the conclusions reached in the thesis may have been ultimately pessimistic: Although the EU possesses some supranational elements in other areas of common foreign policy, (evident for example in a European mechanism in the security domain) its Middle East policy of the past few years has been reflected through the specific obstacles mentioned in the dissertation: coordination complexity- the result of the decision-making process, lack of a single voice and lack of unanimity.

However, the dissertation was written primarily between 2001 and 2004. Facing the turmoil of the Intifada and the Israeli aggression vis-à-vis the Palestinians, the dilemma of the EU common policy in the Middle East became a most relevant issue in Europe and received much attention in the European media at the time. This was also an adequate reason for me to address the issue.

Yet, many things have changed since then: the Iraq war, the passing away of President Arafat, Israeli withdrawal from Gaza and the developments on the Iranian issue. Therefore, the assumptions of my dissertation concerning the EU
policy, which reflected the situation in those years, 2001-2004, may only partly reflect the new encouraging realities. Indeed, there is a tendency seen in the past year for a more efficient European joint policy in the Middle East. This is reflected by the greater weight given to the EU 3 in the CFSP decision-making process, by the reduction of the European declaratory policy, the new positive tendency in the Israeli-European relations and by a new constructive engagement of the EU in the peace process (for example, EU observers in charge of supervising the borders of the Gaza Strip since the withdrawal of Israeli forces).

But even if the evidence may indicate that CFSP is on the right track towards a stronger common foreign policy in the future, the movement towards a cohesive supranational body is still far off.
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